

April, 1920

25 Cents

THE NATION'S BUSINESS

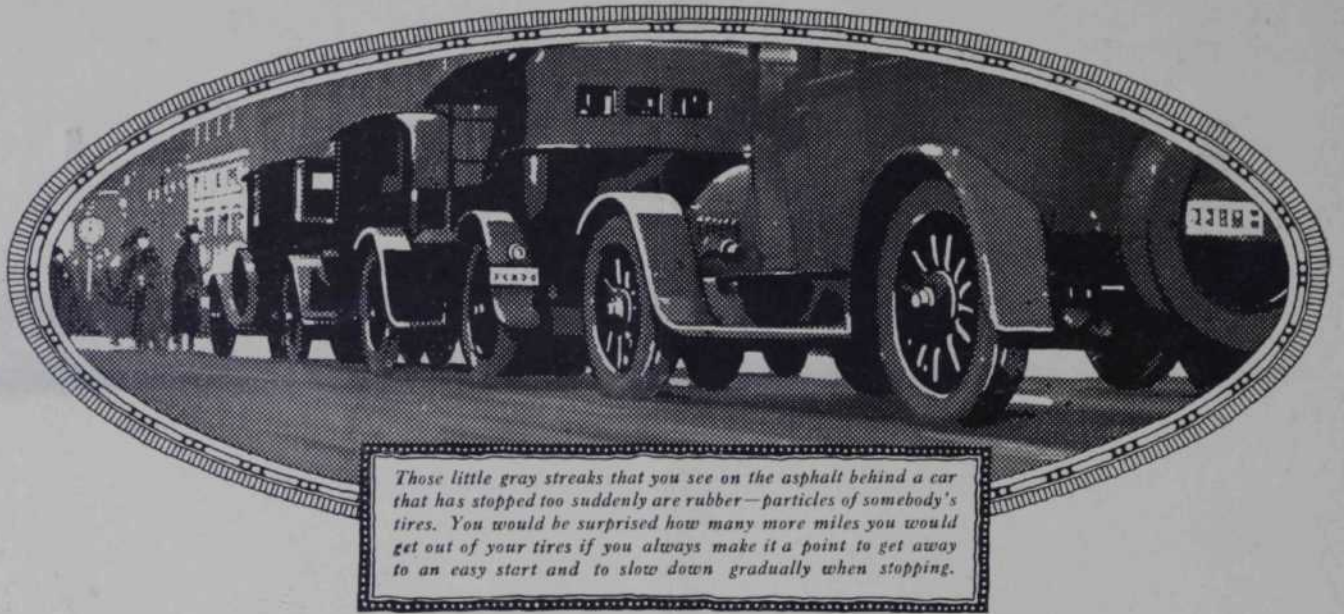


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Beginning—THE BUSINESS MAN'S AMERICA, by ARCHER WALL DOUGLAS.

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Those little gray streaks that you see on the asphalt behind a car that has stopped too suddenly are rubber—particles of somebody's tires. You would be surprised how many more miles you would get out of your tires if you always make it a point to get away to an easy start and to slow down gradually when stopping.

ONE out of every ten men you see on the street is a motor car owner.

There is not a man or woman in the country whose daily life is not affected in some way by motor transportation.

Anything that tends towards waste and extravagance is a tax on everybody.

* *

Because of casual buying the average motorist is being compelled to pay out more and more every year for tires.

Once let Americans realize that a thing is costing them

too much and they soon find a way to correct it.

They are beginning to understand the high cost of poor tires and to stop accidental buying.

Going to the dealer who not only displays the sign of good tires in his window, but who recommends and sells good tires because he believes in their economy.

* *

The United States Rubber Company is bending every effort to keep pace with the growing demand for tires, but placing responsibility for quality ahead of every other consideration.

In the interest of better tires it produces more of its own rubber than any other rubber manufacturer in the world.

It introduced the first straight side automobile tire.

It produced the first pneumatic truck tire

Two of the greatest contributions to tire and motor economy ever made.

* * *

The idea of quality in tires is just beginning to take firm hold on this country.

And the firmer the hold it takes, the smaller the tax that motorists will have to pay.

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Factories

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Two hundred and
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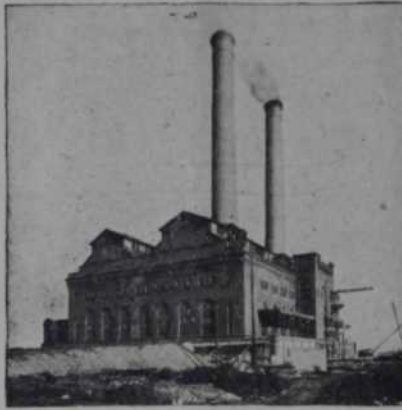
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There will be some of the same sort of days during the progress of your proposed plant extension, and that is when you will appreciate the fund of building and engineering knowledge which this organization has in reserve.

And even if that reserve is never called on, it is worth far more than money to the Owner to know that it is There!

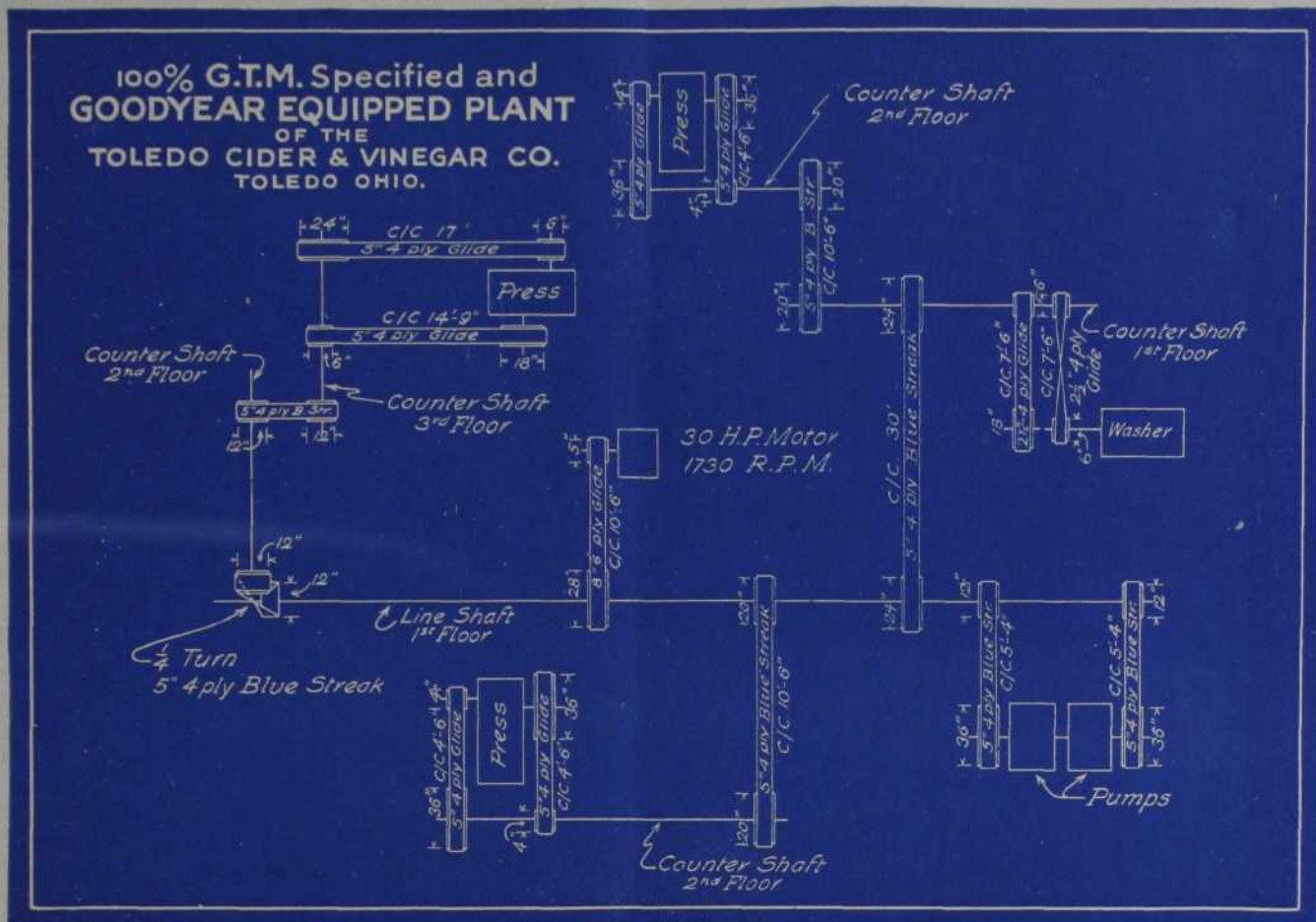
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THOMPSON-STARRETT COMPANY
INDUSTRIAL CONSTRUCTION
NEW YORK

CHICAGO

DETROIT

PITTSBURGH



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100% Goodyear-Equipped—and the G.T.M.

A growing conviction that the Goodyear analysis plan gave promise of ending their continual troubles with belts led the Toledo Cider & Vinegar Company to have a single drive studied by a G. T. M.—Goodyear Technical Man—and his recommendation for a belt given the benefit of a trial.

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A CORRECT FOUNDATION FOR PROGRESS AND BETTER
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We Can Describe Our Plan Briefly

“Knoeppel Organized Service”

C. E. KNOEPPEL & CO., INC.
Industrial Engineers

Six East 39th Street

New York

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Cover Painting by Charles A. Dunn

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Vol. 8

THE NATION'S BUSINESS

No. 4



Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber.
But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.

Publication Office: Mills Building, Washington, D. C.

New York Office: Woolworth Building.
Merchants Exchange Building.

Chicago Office: Otis Building.

San Francisco Office:

NEW YORK LIFE

INSURANCE COMPANY

(Incorporated under the laws of the State of New York)

346 & 348 Broadway - - - New York, N. Y.

TO THE POLICY-HOLDERS:

Life Insurance has suddenly taken on a new importance. Everybody wants it.

This indicates that the public has begun to understand the economic value of the principle on which life insurance rests, and it also demonstrates the high regard in which our life companies are held.

THE YEAR 1919.

For the New York Life 1919 was in many respects the greatest year in its history.

Our new business (\$531,000,000) exceeded the new business in any previous year by nearly \$200,000,000. Our new business was written exclusively on the lives of individuals who made application to the Company and does not include any so-called Group insurance.

Our Mortality returned to normal figures, after the heavy mortality from influenza in 1918, which extended through the first four months of 1919.

The Russian Soviet Government by decree made life insurance a government monopoly in Russia and proceeded to liquidate the business of all life insurance companies, both domestic and foreign. Having by this decree assumed our liabilities, the government took possession of our property in Russia, including our investments which were chiefly railroad bonds guaranteed by the Russian Government, and purchased with moneys accumulated from premiums paid by Russian policy-holders.

With the concurrence of the Superintendent of Insurance of the State of New York, approved by the Convention of Insurance Commissioners of the various States, we have eliminated both Russian assets and Russian liabilities from our statement for the year 1919.

There are no material complications elsewhere in our foreign business.

The decrease in assets at the end of 1919, by comparison with assets at the close of 1918, is due to the elimination of the Russian business and to the fact that in the assets at the close of 1918 there were about \$22,000,000 which we had borrowed to purchase Liberty Bonds.

Taking account of these items, the assets in 1919 made a normal increase.

Safety funds increased during the year over \$5,000,000.

On December 31 our investments in Liberty Bonds and Victory Notes exceeded \$100,000,000.

DARWIN P. KINGSLEY - - President

Balance Sheet, January 1, 1920

ASSETS		LIABILITIES	
Real Estate.....	\$9,070,481.00	Policy Reserve.....	\$757,098,302.00
Loans on Mortgages.....	159,869,677.31	Other Policy Liabilities.....	24,398,333.52
Loans on Policies.....	145,185,934.77	Premiums, Interest and Rentals prepaid.....	4,360,124.68
Loans on Collateral.....	159,000.00	Taxes, Salaries, Rentals, Accounts, etc.....	4,991,560.94
Liberty Bonds and Victory Notes.....	100,605,626.80	Additional Reserves.....	6,072,091.44
Government, State, County and Municipal Bonds.....	147,363,654.60	Dividends payable in 1920.....	32,045,775.56
Railroad Bonds.....	344,053,661.96	Reserve for Deferred Dividends.....	88,157,964.00
Miscellaneous Bonds and Stock.....	8,339,274.69	Reserves, special or surplus funds not included above.....	43,897,967.91
Cash.....	20,501,542.64		
Uncollected and Deferred Premiums.....	13,993,352.96		
Interest and Rents due and accrued.....	11,849,389.88		
Premiums reported to War Risk Insurance Bureau under Soldiers' and Sailors' Civil Relief Act.....	30,523.44		
Total	\$961,022,120.05	Total	\$961,022,120.05
Paid Policy-holders during the year 1919		\$116,174,621.00	



THE ETERNAL ROMANCE

The bazaars of ancient Bagdad and the towering stores and spreading factories of modern America are each expressions of BUSINESS, the Eternal Romance. The difference lies in one word—*organization*.

Modern business is *organized* making and marketing. Modern manufacture, buying, and selling, are on a gigantic scale due to *organized* effort and they call for still greater perfection of organization, for they make demands which no individual executive can meet. The answer to this need is Industrial Engineering as practiced by L. V. ESTES INCORPORATED.

ESTES SERVICE is *organized* application and interpretation of the laws of scientific management to modern business. Its scope extends everywhere in the field of business and to all branches of any business. It finds the facts and applies them fairly to the end that production is increased, costs are lowered, and products bettered, with a direct benefit to manufacturer, workman and consumer.

ESTES SERVICE enters the field of human relations in Industry to evolve a better working basis for Capital, Labor and Management. Its several well-organized, well-defined divisions are all important branches of Industrial Engineering.

A special booklet dealing with the scope of ESTES SERVICE will be mailed on request.

Number Three—
The Scope of Estes
Service

L. V. ESTES INCORPORATED

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For Higher Standards of Business Management



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"The Utility Business Paper"

THE NATION'S BUSINESS

A Magazine for

Business Men

VOL. 8, NUMBER 4

APRIL, 1920

Prudence---or Improvidence?

Good business sense induces our exporters to spend huge sums annually for marine insurance; but in so doing they place a powerful weapon in the hands of their chief competitors

An Interview with S. S. Huebner, Expert in Insurance to the Shipping Board

IT IS related that the head of a certain large business one day invited his principal rival into his private office. There he went through the files and laid before his competitor the current activities and the future plans of the concern. Lists of customers, contracts, prices, costs, profits, credit terms—all were brought forth and carefully explained.

When the visitor had taken complete notes, he turned to the other and said, "Now that I have the secrets of your business and can use them against you, what are you going to do about it?"

"Do," was the answer. "this is what I am going to do about it!"

So saying, he handed over a pile of bills that totaled a quarter of a billion dollars. After inviting the visitor to return for a like amount the next year, he bowed him ceremoniously from the room.

Which—to use the expression of Scheherazade—is a strange story, but no more strange than that of how the United States of America acts toward its chief exporting competitor.

Our Strange Beneficence

EVERY year we hand over to foreign companies a grand total of insurance premiums, to the tune of \$250,000,000. Approximately two-thirds of all the marine insurance originating in this country is controlled directly, or by way of reinsurance, by foreign or foreign-controlled companies. With that goes all knowledge of the character of our shipments and the movements of our ships, placed confidently in the hands of foreign interests, passing through the foreign insurance company to the cognizance of the foreign merchant and foreign banker.

Commercially speaking, we literally "give ourselves away." Yes—and pay our chief competitors a whopping bonus for acceptance. Whereat they naturally rejoice, as in the following—lately published in the *London Statist*:

In the year before the war, when, as said above, we (England) had only 135 millions excess imports over exports, we were rendering very expensive services in different parts of the world. We were at that time the world's carriers to an extent of nearly 60 per cent. We did by far the lion's share of marine insurance, and, in addition, we were the world's principal merchant bankers. In addition we obtained large commissions by acting as agents for various parts of the world. . . . Now we still retain, if not the whole, a very large proportion of the marine insurance business which we enjoyed in the period before the war.

Yearly, we hand our competitors, with large beneficence, a sum of such proportions as to make them truly grateful.

In regard to Marine Insurance, we have certainly been most soundly "asleep at the switch." For this reason a representative of the *NATION'S BUSINESS* recently sought out Professor S. S. Huebner, of the University of Pennsylvania, Expert in Insurance to the U. S. Shipping Board, and drew from him, in an interview, the most salient facts of the situation.

"We could reverse present conditions tomorrow by the proper legislation," said Dr. Huebner. "All we need is to bring the case clearly before the public, before business men, before American producers, manufacturers and merchants. The American people must see the need of patronizing American Marine Insurance companies. The remedy lies there, in a campaign of education and in the passing of the proper laws.

"The situation is chiefly of our own making. We have taken too local a view of marine insurance, whereas its status, unlike other forms, is essentially national and international in character. And American business interests have failed to recognize the national business spirit prevalent in other commercial nations, of supporting our own business enterprises everywhere against all others. Deeper than that, the basic cause of our difficulties is found in our dual system of government—a Nation of States, each actuated by its own local needs and views in insurance matters. A recent significant comment was to the effect that we have had a protective tariff for our import commerce and yet have abandoned our entire home insurance fields to the principle of free trade. Restrictive state laws for the regulation of interstate insurance, with the effect of a protective tariff on insurance between states (said the commentator), have bound American companies securely against engaging in free-trade world's insurance. This was termed 'doubly economic suicide': prohibiting us from competing with foreign countries to protect our own insurance, as well as making us unable to secure a share of theirs.

There Are Five Essentials

HERE, on the fingers of my hand, I can mark off the five essential elements of foreign trade. Here is the producer, first, then the railroad that carries the product to the port, the bank that finances the transaction, the insurance company that takes the risk on the cargo, the ship that carries it. And a national spirit of cooperation is an absolute necessity to knit together all these factors—that the whole hand of this country may have a vital grip upon its own foreign trade. Yet today that hand is spread loosely open, abandoning to our competitors all details of our shipments and allowing them to profit by complete infor-

mation as to all our commercial activities. We have abandoned to foreign control one of the prime essentials for the upbuilding of our merchant marine and our foreign trade.

"See the importance of marine insurance! Its fundamental purpose is to indemnify such loss and damage as is accidental, unavoidable and unusual. But subject to this condition the modern marine insurance policy affords a very broad protection; in fact, nearly every conceivable contingency is assumed. Goods are protected from the shipper's warehouse in the interior of this country through all the various stages of the journey either by water or land carriers until they are safely delivered into the warehouse of the foreign consignee. In fact it is asserted that modern marine insurance should justly be called 'transportation insurance.' Does it now become apparent what a large and intimate control over our own production we have altruistically bestowed upon our friends abroad?

The Great Force

AS WATER carriers and shippers exceed all other business interests in the extent to which they protect their property through insurance, marine insurance power has been said to be the greatest active force—at least, none is greater—in influencing, controlling or forbidding the employment of shipping. Hence its vital effect upon our main reliance for future foreign trade—our merchant marine!

"But—and this main aspect cannot be overemphasized—marine insurance is a national commercial weapon, over and above its services as a fundamental instrument of commerce. Exporters and importers depend mainly upon three servants: banking, shipping and insurance, and insurance is the protector and stabilizer of the other two. Continued separation means weakness, lack of national prestige and disjointed action; whereas union results in prompt and adequate service, a united action to meet competitive situations, and a sense of national independence worthy of the respect of others. And that is the position to which the United States must attain in its foreign trade.

"Our recent experience with German insurance and reinsurance companies should make unnecessary further proof that marine insurance companies acquire vital trade secrets exceedingly useful to the nations they represent. Underwriters know the cargoes, consignors, consignees, carriers, trade routes, destinations, financial affiliations, and leading contract terms of commercial transactions. Adjusters of losses and surveyors of vessels are in a position to obtain much information of a secret character. Moreover, we now require rein-

insurance in foreign companies, and thus the foreign reinsurer becomes thoroughly conversant with vital business secrets known only to the original insurer. There is a lamentable absence of American marine reinsurance facilities. To an appalling extent we depend upon foreign companies for a sufficient spread of risk. Both England and Germany, by contrast, have deliberately strengthened their reinsurance facilities in every detail, so as to take care of the largest risks without resort to reinsurance in the national market. But, with us, there are not enough companies to do the reinsuring. And yet reinsurance is the very foundation of all marine insurance. Any American company with a risk on its hands today simply binds the foreign insurance company stipulating that the entire risk be turned over, or it will not handle it. And what single American company can shoulder the enormous risks that a group of British companies easily assimilate, under the free play of re-



Shipbuilders working on a steel mast at Hog Island. After steamers are in the water we can't leave them to shift for themselves as if they were ducks. Besides ships Mr. Huebner gives these four essential elements of foreign trade: the producer, the railway, the bank that finances the operation, the insurance that protects the cargo. The last item is by no means, least,

insurance abroad?

"No reason under heaven can be adduced why the United States, with its great wealth and other facilities, should supinely allow two-thirds of all its marine insurance to flow into foreign hands. During 1918 American branches of admitted foreign marine companies collected nearly \$40,000,000 of marine premiums, and estimates of leading underwriters would indicate that at least another \$22,000,000 was collected on marine risks exported directly to nonadmitted and to home offices of admitted foreign companies. Moreover, American marine insurance companies paid approximately \$10,000,000 during 1918 for reinsurance placed with foreign admitted companies, an amount equal to one-seventh of their total net marine premium income. Just consider those figures!

"Another point—American companies now cater primarily to cargo insurance and do not, as a general proposition, emphasize hull insurance. For instance, fifty-nine of the seventy-two American companies who recently furnished the Sub-committee on the Merchant Marine and Fisheries with a detailed classification of their business for 1918, reported that they did not emphasize hull insurance. Nineteen explained that they had found the hull business unprofitable, and so on. Twenty stated that competition of companies located in foreign countries, and the facility with which owners and brokers export marine insurance to such countries, precluded any

hope of success. The practice of exporting marine insurance directly to the foreign market is resorted to particularly in the case of hull insurance. Some estimates are to the effect that at least 50 per cent of all American hull insurance is thus exported. Yet hull insurance is most important and should be emphasized equally with cargo insurance, instead of being, to an even greater extent, thrown into foreign hands.

"Now when foreign interests control two-thirds of so vital a business as marine insurance has been demonstrated to be, there must exist weighty reasons to account for the phenomenon. Let us list them:

"1. *A World Market of Long Development.*—British underwriters furnish the largest marine insurance market of the world, and British companies have for long years strengthened their position by accumulation of huge surpluses. The marine insurance market of the world, in fact, centers in London and Liverpool. The companies there have correspondents all over the world and possess the best sources of information. American companies must "ask London."

"2. *A Broader Spread and Broader Reinsurance Facilities.*—Extensive British agency systems have brought in an enormous volume of business and an unequalled diversity of hazard. They share in the premium income of almost every trade. With so many large and stable companies, the facilities for reinsurance are also so enlarged as to make possible the underwriting of tremendously large risks. American companies have always been

handicapped as to reinsurance. Foreign companies, when offered a portion of the risk, would insist, owing to their possession of a broad reinsurance market, on taking "all or none." Such an attitude it was impossible for the smaller American companies to meet.

"3. *A Close Union with Banking and Shipping Interests.*—This I have already enlarged upon. It is badly needed.

"4. *Freedom to Combine or to Form Communities of Interest.*—British insurance companies have not only cooperated with the nation's banking and shipping interests but have united in large groups through actual consolidation, as referred to before. They have formed communities of interest. Thus they have enlarged their underwriting capacity and strengthened their financial standing. This is an important point. In the United States we have state laws generally unfavorable to insurance companies owning stock in corporations transacting similar lines of business. An example of unintelligent hindrance.

"5. *Permission to Write Numerous Kinds of Insurance.*—Here again is a basic need in America, an advantage of long standing in England. British marine insurance companies can write practically any kind of insurance. By transacting many kinds, a company's overhead is reduced materially. Also various forms of insurance complement one another. Bad results in one branch are apt to be counterbalanced by good results in another. Not only our American marine companies but many important fire companies are restricted by state laws in their sphere of action. In many instances American marine companies cannot even write such closely allied forms of protection as builders' risk and property and indemnity insurance!

It's Easy To Send It Abroad

"6. *Ease with Which American Insurance May be Exported Abroad.*—This naturally accrues to the advantage of foreign companies. American underwriters as a unit are helpless to remedy the situation, since the placing of a very large proportion of American business rests with marine insurance brokers who owe no allegiance to any insurance company. Practically all the big brokerage houses in our shipping centers have London correspondents.

"7. And here we come to one of the most important points of all—a smaller tax burden. In this country we have always taxed insurance of all kinds, especially marine insurance. Revenue and ease of collection have apparently been the only considerations. We have completely disregarded marine insurance in its national and international aspects and have severely handicapped it in meeting foreign competition. The combined effect of all the taxes, federal, state, state corporation, municipal, license fees, etc., is appalling. American taxation is based essentially on gross

premium income, a system which is unscientific to say the least and can only be supported on the plea of revenue and ease of collection. British taxation, on the contrary, is levied on net profits and recognizes the fact that a premium written may result in a loss, without, however, any consideration being shown under a gross premium tax.

"8. *A Smaller Overhead Charged.*—This springs from a larger volume and variety of business, and I have already given it some attention. There is also, however, another important factor: the foreign companies' lower cost of administration due to lower foreign standard of office salaries and expenses.

"9. And with the last point we return to a most important fact that should be reiterated: *support of home merchants and vessel owners.* Foreign merchants and vessel owners accord it to the marine underwriters of their own country. Foreign consignees favor their own home companies. This attitude is all important. With few exceptions American merchants have not yet been prompted by the desire to patronize home companies. They look upon marine insurance as a mere commodity and not as a national service.

"Such being a rapid survey of the main features of the problem before us, what is needed to remedy the situation? Here are the main recommendations of the subcommittee on Merchant Marine and Fisheries—a summary of the legislation needed:

"The remedy," says the committee, "lies partly in (1) self-help on the part of American companies through cooperative action, especially in the formation of a comprehensive insurance bureau for reinsurance purposes; (2) federal assistance, and (3) state help through the removal of unnecessary and paralyzing legislative restrictions."

"Adequate reinsurance facilities are essential to a successful national marine insurance institution. The committee has suggested, 'The desirability of creating a reinsurance bureau or exchange, composed of American companies and open to all who are willing to conform to reasonable requirements. Such a bureau is now in process of formation, and the committee is hopeful that a satis-

factory arrangement will soon be successfully launched for both hull and cargo insurance.'

"The committee also believes that the Federal Government should reciprocate by cooperating with the bureau. To this end the committee believes that the Federal Government should go out of the marine insurance business, and that all departments of the Government which now place insurance with private interests, and, in one important instance, with private interests abroad, should give the same to the bureau if the rates are approximately the same as those charged elsewhere. Only in this way can existing marine insurance capital be encouraged and new capital attracted to the business." "They also say that the Shipping Board's enormous equity in vessels should be utilized for the permanent welfare of marine insurance in this country. 'Your committee is happy to state that American companies have expressed a willingness to take over the Shipping Board's insurance on a cost basis, i. e., the members of the proposed bureau are neither to incur a loss nor to make a profit. This proposition, it should be said, is now being formulated in detail.

"The committee also asks the Federal Government for further assistance in several respects.

"(1) That marine underwriters should be assured of the legality of combinations and associations designed to facilitate reinsurance or to extend underwriting activities to foreign countries, etc.

"(2) That the Federal 1 per cent tax on insurance premiums be repealed. There should be no taxes on marine insurance except on net profits.

"(3) That legislation be enacted for the incorporation, on a liberal basis, of reinsurance companies in the District of Columbia.

"(4) That a liberal marine insurance law be enacted for the District of Columbia. This recommendation was heartily supported before the committee by the Association of Marine Underwriters of the United States, chiefly on the ground that it would serve as a model for duplication in the various states."

"There remain for consideration the legisla-

tive disabilities imposed by the several states. These are very serious and were bitterly opposed by underwriters appearing before the committee. They were a unit in recommending (1) the removal by the states of restrictions on the kinds of insurance (other than life insurance) which may be transacted by any one American company; (2) changing the system of taxing gross premiums to taxation on net profits; (3) revision of the insurance law of the several states, which is often conflicting and which apparently was drawn primarily with regard to the regulation of fire rather than marine insurance; (4) greater liberality with reference to American companies seeking to enter the foreign field, especially with reference to recognition of foreign deposits in the financial statements of the companies, and (5) removal of restrictions against permitting groups of companies to unite, under proper regulations, to form companies or associations for the purpose of assuming the reinsurance needed by the group, or to undertake operations in foreign countries.

Tackling the Problem Directly

IT MAY seem, therefore, that the Federal Government need not interest itself in this phase of the problem. The committee, however, felt that it should approach the difficulty in the only way possible, viz., through direct appeal to the properly constituted authorities of the several states. Accordingly, the legislative disabilities referred to were summarized and embodied in a communication which was submitted jointly by the committee and the United States Shipping Board, under date of December 19, 1919, to the governors and insurance commissioners of all the states. In this communication special attention was called to the essentially national and international character of marine insurance and the fact that "the immediate situation requires that the legislative policy of the several states should not run counter to the needs of the nation as a whole."

"Replies have been received from nearly all marine states, and the response was excellent. The recommendations were heartily indorsed, cooperation was promised.

What Are Prices?

The end of the great conflict has followed the lead of other upheavals in producing dis-jointed conditions and every manner of cranky scheme for their cure

By J. LAURENCE LAUGHLIN

Emeritus Professor of Political Economy, University of Chicago

AFTER a great war there is always more or less of disturbance, mental and moral. Not only is there a serious reaction after a prolonged nervous strain, but also the normal course of life has been interrupted. Consequently we are in for a period of wild and cranky theorizing on almost all questions.

In its most striking form it is appearing in revolutionary proposals as to regulation of wages, and taking over the government by soviets to create a new social order. The socialistic appeal to the interference of the state, whenever the imperfections of man under our present system lead to dissatisfaction, are today apparent even in our monetary affairs.

Such manifestations, however, are not at all new. We have had them before, after

the Civil War and usually after an important financial crisis. At the present moment, it is to be noted that the aberrations of mind on monetary matters have a very practical bearing on prices and the cost of living. Therefore we cannot be too careful to set clear in our own minds the very fundamentals of money and prices.

The old theory of Ricardo that the level of prices could be regulated by state action on the quantity of money in circulation belonged to a set of conditions quite different from those of today. But in spite of its staleness, it has been revamped by some pure theorists and actually proposed as a practical scheme for controlling prices.

Based on the quantity theory of money (which originated with Locke and wholly theoretical writers), according to which

prices are determined by the quantity of money in circulation and (as now amended) by the quantity of credit offered as purchasing power against goods, it is now seriously proposed to regulate prices by changing the weight of our standard gold dollar. That is, if prices rise, reduce the number of grains in the dollar; if prices fall, increase the number.

To my mind such a plan is both utterly impracticable and unsupported by good monetary reasoning. In the first place it would throw into utter confusion all our foreign exchange transactions if we were to frequently change the weight of our gold coins, to say nothing of the disturbance occasioned thereby in settling domestic contracts. In the second place, the quantity theory on which it is based is established on the absurdity of supposing

that the price of anything is fixed solely by the offer of purchasing power (that is, merely by demand), irrespective of the effect of supply and changes in cost of production.

Moreover, in talking about the quantity of money, these theorists make no distinction between the standard money, or common denominator, in which prices are expressed, and the medium of exchange by which goods, after their price has been arrived at, are in fact exchanged. At the bottom of the confusion of mind, however, no correct conception, or definition, of price has been kept in mind. A little explanation will make this matter clear.

In another place I have given the needed simple statement as follows: "In this country, where gold is the standard, price is the quantity of gold for which an article exchanges. The standard is not an abstraction, but a material commodity, in which price is expressed; price is simply the ratio between goods and gold.

Gold and the Lame Horse

IF the price of a horse, for instance, is \$100, that is only a way of saying that the horse exchanges for the quantity of gold in \$100 of our coinage. Should the horse go permanently lame, it would exchange for less gold; that is, its price would fall. Although the fall in price of the horse arose from causes solely affecting itself and not gold, still it makes no difference whether we say that the horse has fallen relatively to gold, or that gold has risen relatively to the horse. The fact of a change implies nothing as to the cause of the change.

"To take another illustration: If nothing had happened to change the demand for, and supply of, gold, and yet if a new process had cheapened the cost of making steel, then the price of steel expressed in gold would fall. Hence it would result that gold had increased in value relatively to steel for reasons affecting only the steel side of the price ratio.

"In short, gold may increase in value if goods are cheapened in their expenses of production; but this fact may not be due to any cause originating with or operating on gold alone. Anything which increases or diminishes the demand for, or supply of, gold, and anything which increases the expenses of production of goods, affects their price in gold. Therefore it is shallow to suppose that prices can be modified only by changes on the gold side of the comparison. And yet volumes have been written based on that error."

It ought not to be necessary in this age to explain that purchasing power alone cannot fix price, regardless of the supply. Take the price of steel rails; only a few years ago they were sold at \$56 to \$60 a ton, and before the European war they had fallen as low as \$17 to \$27 a ton. Why? Certainly not because of the absence of purchasing power.

Any practical steel man would undoubtedly think a person was silly if he did not know that steel rails had fallen in price because of amazing changes in methods of production by which costs were lowered. And yet the quantity theorists have no place in their formula for the effect of improve-

ment and reduced costs on the prices of goods. To a business man such theorizing must seem almost incredible. But the economic textbooks are full of it. The price of any article is the quantity of the gold standard for which it will exchange. It is a ratio between gold on one side, and goods on the other. Obviously changes on the goods side will affect price quite as easily—more easily, in fact—than changes on the side of gold.

The changes in the level of prices due to any cause affecting the value of gold are, by the very nature of things, less active than those working on the side of the production of goods. That is, gold being imperishable (except by abrasion, loss by shipwreck, etc.), the annual supply keeps piling up the total stock in the world. In 1850 the stock was not over \$2,000,000,000 to \$3,000,000,000; now it is more than five times as great. The discovery of gold in 1848-1850 had added by 1875 as much more as had existed in 1850.

Although the quantity of gold had been doubled, prices did not rise more than about 15 per cent. Why?

Because a new demand sprang up for the increasing supply, and so prevented a further fall in the value of gold. Since then the large annual production of gold has kept up, until the total is now five times that of 1850. Hence annual changes in supply have less effect relatively on the larger total. Pour a bucket of water into a barrel and it raises the level; but if poured into a lake it makes little impression on the level. It is true that on the gold side there has been a great addition to the supply, but along with it has come a great increase in the demand for gold. Therefore we cannot look for serious changes in prices from changes on the gold side; at the best they would be very slow.

The quick and extreme fluctuations of prices must be caused by forces, like changing costs, working on the production side, or on the goods side of the price ratio.

Another source of error must be kept under watch. Price is expressed in the standard money; but when talking about the quantity of money that affects prices there is no uniform thinking.

Should the quantity of money include all the media of exchange in use? That is, in this country gold, although the standard, is seldom used as a medium of exchange. The fact is that price-making between goods and gold goes on first; and after prices are fixed a medium of exchange is later devised for the exact prices previously agreed upon.

For instance, an Iowa farmer, when selling his wheat to an elevator, then and there agrees on the price. The buyer then ships it to Chicago, drawing a bill on a Chicago purchaser. This bill of exchange, accompanied with a bill of lading to show the transaction is a veritable one, is discounted at a bank. That is, the value of the carload

of wheat is coined at the bank into a credit, or means of payment, by a deposit account which can be drawn on by checks. But note this important fact: the figures in this bill of exchange, this form of credit, were obtained by multiplying the number of bushels purchased by the price per bushel.

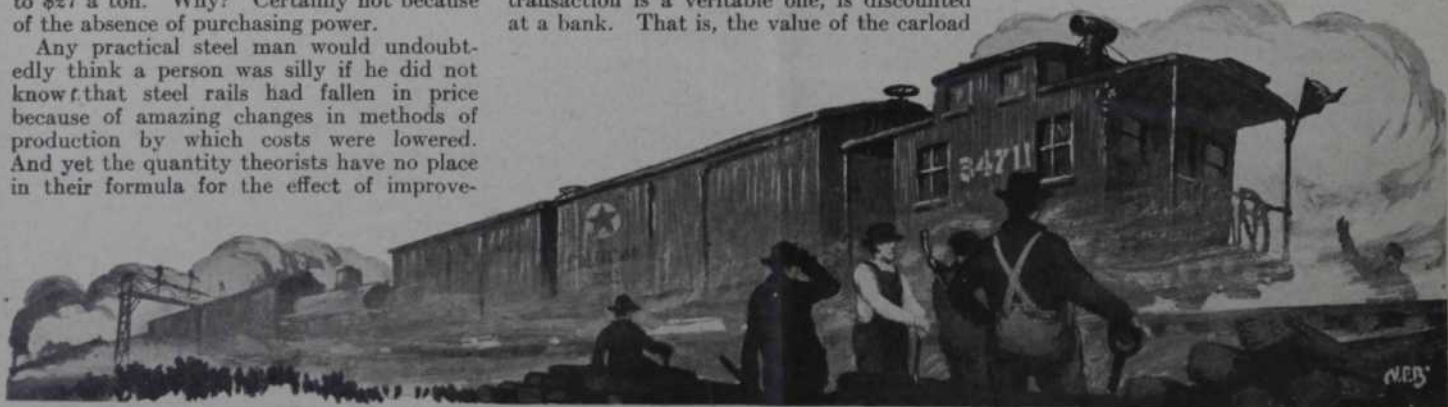
In short, the price was set before the bill was drawn. The credit operation had nothing to do with fixing the price. Hence it is not correct to say, theoretically, that the quantity of money and the amounts of credit fix the level of prices. Devices chosen as media of exchange, whether bills of exchange or checks or bank notes, may rise or fall in amount without in themselves affecting either the gold or the goods in the price ratio.

As soon as we grasp the simple principles regulating prices, of which the chief have thus been presented above, we are better prepared to pass judgment on the vexed problems involved in prices and high cost of living which all of us have to face today. Some of the schemes proposed to lower the high cost of living through lowering prices pay little attention to the forces working on the goods side of the price ratio to gold. It is assumed that prices are kept high because much gold has come to this country, because of our favorable balance of trade, or because of an inflation of credit. In truth, the main causes of high prices are at work on the costs of production of goods (and not on gold or credit).

Costs—and Labor

SUCH a conclusion is at once apparent to the business man who deals with factory costs. He knows only too well that increasing costs (and consequently higher prices) have been due to higher money wages paid for the same—or, in most cases, for a less—labor effort than formerly. In this country, during the war, wages rose first and prices followed. But, in addition, another war influence had an effect. Materials entering into the making of finished goods rose because of scarcity: coal, leather, sugar, foodstuffs and the like went up because of scarcity due to supplying our allies.

We shall reduce the cost of living only when we can reduce these increased costs of production. As soon as the countries at war get back to normal production, scarcity of food and materials will have less force in keeping up costs. Then, above all, labor must stop its impossible demands for shorter hours at higher wages, and try to join with all the factors of industry in obtaining a greater efficiency of production. If high money wages are retained, the only way by which the cost of living can be reduced is by getting an increased production and greater efficiency from those receiving the high wages.



Why That Letter Was Late

Just what has happened to cause an envelope to require three days for a journey that it formerly made in two? Here is what we pay for that much-advertised Post Office "surplus"

By C. M. REED

Formerly Superintendent Omaha Division, Railway Mail Service, now a member of the Kansas Court of Industrial Relations

FOR MORE than thirty years a Kansas City man in New York could write a letter after his evening meal, put a stamp on it, walk to a letter box and drop it in with the assurance that it would be delivered to his family or the "house" in Kansas City on the second day—or to any other place in the lower Missouri Valley, for that matter. And it must be considered that thirty years ago railroads were not so safe and speedy as now. The engines were not so powerful nor the road-beds so solid, and be it also remembered that there were more distinct railroad units over which trains were operated between New York and Kansas City than is now the case. A mail train had to pass to the T. H. & I. at Indianapolis and to the Vandalia at Terre Haute, all distinct operating units. One railway, the Pennsylvania, now reaches from tidewater to the Mississippi.

Now the Kansas City man in New York who writes his letter after dinner and commits it to the more or less tender mercy of the postal organization hopes it will reach its destination on the *third* day; that is the earliest that delivery is possible if the mail service functions with promptness and regularity, terms which are hardly descriptive of the present operation of the most tremendous of all the government activities and the one that directly concerns every citizen of the nation—the postal service.

It's Not a Local Condition

NOT alone has the Missouri Valley citizen suffered by the deterioration of the mail service. It is not confined to any city or section. New England and the Pacific coast, Philadelphia and Minneapolis, Chicago and the Middle West, as well as New York and Kansas City, are similarly affected and wondering what the matter is. Great business centers and country towns alike are complaining. People living on the trunk lines where the lordly express trains whiz by without anyone even looking up, and on the branch lines where the coming of the train is the principal business and social event of the twenty-four hours which make a day, have resolved to vote "agin" the Government because their mail service, in the vernacular of the day, "is on the bum."

Something is wrong. That all know. The one public utility that every one of them must and does use every day has gone backward. In these days of progress so startling that we barely have time to read—much less digest—a record of the feats which make us gasp for a day, their service of communication by written or printed intelligence has slid back thirty years.

What has happened to the postal establishment, long the most responsive branch of the public service to the public needs and by far the most popular, to bring it to this low estate? For so many years there has been implicit faith in the intelligence and enterprise of the post office; a confidence

that it would measure up to the needs of the business and social development of the nation. Fast mail trains, rural delivery, parcel post, postal savings, extension of city and town delivery of mails—these were only manifestations of the spirit and will to serve that gave the postal institution first place in public favor and made the American mail service the most efficient and cheapest in the world.

Probably ninety-nine out of every one hundred answers would be "Burleson," for it will be admitted without argument that the present Postmaster General easily holds the first place in popular disfavor. There is no distinction of sect or section in the unpopularity which attaches to Mr. Burleson in his official capacity. The labor union and the chamber of commerce pass resolutions of criticism with equal freedom. Farmer and business man vie with the editor in the low esteem in which they hold his official record.

The Real Reason

BUT dislike of a postmaster general is not sufficient explanation of the backsliding of the mail service. None of the points mentioned explain the additional day that it takes for the letter of the Kansas City man to reach its destination from New York, as compared with thirty years ago.

To date no analyst has called attention to the most vital fact in the decline of our postal communication, which is, that the transportation system of the post office has been starved.

This is the outstanding feature in the situation as it concerns the country as a whole. There are other points of criticism, but this one ranks first in importance in any analysis of the decline in efficiency of the postal institution, and what follows will be an explanation of this phase of the trouble.

To begin with, the reader is asked to fix this fact in his mind: *From November 1, 1916, to June 30, 1918, the travel in carrying the United States mail between post offices in this country decreased by 52,504,184 miles.* Quite a number of miles. This decrease represents 19.24 per cent of the total travel in effect on November 30, 1916.

To state the same fact in another way: Had all of the mails carried in mail cars and combination cars and baggage cars on all the railroads of the country been loaded into a 60-foot postal car, this car would have traveled annually 272,794,837 miles on the basis of mail service as it stood November 1, 1916. Then there began that policy of the postal administration which has had such a far-reaching and disastrous effect on the mail service of the country. The service was "trimmed." All over the country the reducing process went on. By June 30, 1918, the service had been shrunk one-fifth, and on the same basis of computation only 220,290,652 miles of postal car travel remained.

(These figures are Mr. Burleson's own.

See page 101 of his annual report for the fiscal year ended June 30, 1918.)

How had this been done? By the withdrawal of mail and mail cars from trains that had carried them for years. On lines where there had been mail cars on four or five trains every day the number was reduced to two, or three, or four. On lines where there had been three or four, it was reduced to two or three. On many short branch lines where a railway postal clerk had occupied a part of a combination car, he was taken away and the mail sent out from the junction point with the main line in the baggage car to be handled and delivered by the baggageman.

It may be claimed by the Post Office Department that this was a "war measure" and justified on that basis. But the fact is that the "starvation" process was in full swing the last two months of 1916, while war was not declared until April 6, 1917.

What was to be accomplished by taking away the postal facilities to which the communities had been accustomed for years and to which their business had been adjusted?

It was done to help in producing a surplus in the Post Office Department, where no citizen cares a hang whether there is a surplus or not so long as he gets efficient service, which is his first concern.

But how does the reduction in mail transportation facilities bring this about, so long as the volume remains the same?

From 1873 to November 1, 1916, the Government bought its transportation of mails from the railroads on a "weight basis." That is to say, the mails were weighed periodically and the compensation adjusted on a basis of the daily average weight carried over the line, regardless of how many or how few trains were used. So much weight called for so much money, whether five trains or fifty carried the mail.

They Were Proud of the Service

UNDER that policy the Railway Mail Service branch of the Post Office Department built up a system of mail dispatch that for expedition and efficiency was not equalled among transportation organizations of the world. Just as the American postal system was by far the most efficient in the world, the "RMS," as it is known by the familiar, was the life-blood of the system in this nation of tremendous distances with its business keyed to a higher tension than any other country.

The RMS. was once a prideful organization. From the high officials down the line to the newest "sub" the effort was always to get the mail to destination by the quickest possible train. "Schemes" of distribution and schedules of mail trains were the constant day and night companions of the man who "worked" the mail while the trains ran. Under the system of weight pay for mail transportation any and all trains on all railroads were available—it made no difference. Fast mail, limited passenger and

slow freight trains were used, according to the need of the service. The whole idea was to get mail "home" at the earliest hour transportation facilities permitted.

But on November 1, 1916, the "space" basis of railroad mail pay became effective and the slaughter of expeditious service began. Under the space system, the pay of the railroad is based on the amount of space used on each individual train. The less numerous the trains, the less the pay. If the people on a branch line had been getting mail from two trains a day and sending it out on an equal number, the Post Office Department could reduce the cost by carrying all the mail in and out on one train in each direction, and it was ordered to be done in many cases. Where two, or three, or four trains in each direction had been carrying postal cars in which the railway mail man distributed the mail while the train ran, postal car service was reduced and the mail carried in the baggage car, which was cheaper, or held for a later train, which was cheaper still.

Cutting Down the Trains

ON the trunk lines frequency of dispatch of mails was reduced. Mails were combined on fewer trains and in many cases (as from Chicago to nearby cities like Racine and Milwaukee) dispatches were eliminated altogether.

The case of Kansas City has been cited. Thirty-two years ago the fast mail train leaving New York on the Pennsylvania Railroad at about 2 o'clock a. m., carrying the late letter mail and morning papers, ran to St. Louis in twenty-four hours, where it connected a Missouri Pacific fast mail train which arrived in Kansas City by 9.30 of the morning of the day following departure from New York. On the same departure from New York, mail now arrives at Kansas City at 5.20 in the afternoon of the second day, too late for delivery, and it lies over until the third day.

Formerly a letter leaving New York on the New York Central at 2.45 in the morning traveled on fast mail trains, carrying no passengers, to San Francisco and arrived there at about 2.30 p. m. of the fourth day. That is to say, a letter leaving New York Monday morning would reach San Francisco Thursday. It now reaches San Francisco Friday noon. Formerly, by using both mail and passenger trains, San Francisco received two eastern mails daily. The first, carrying letter mail only, came in over the Overland Limited in the morning, while the fast mail train carrying a letter dispatch arrived at 2.30 in the afternoon. Now a letter mailed anywhere east of the Rocky Mountains to San Francisco or any other Central Californian point waits for the one train a day which carries the mail to it. Portland, Seattle and other coast points are similarly affected.

For years Minneapolis desired an early mail from the east so its business men could get their correspondence on the first morning carrier delivery and make replies the same day. By cooperation in the arrangement of train schedules Minneapolis was given what its business heart desired, and it was happy. Then the space system mail pay came along, and the mails were so consolidated that the train carrying the early mail for Minneapolis was taken off. The business man there now gets his eastern mail about noon. Of course the Post Office Department saved some money on the arrangement, though it is doubtful if the citizen of the biggest city of

the northwest, whose business is keyed to a high tension, fully appreciates the "economy" of which the Postmaster General is so proud.

For a good many years there were four trains carrying mail cars each way between Cincinnati and St. Louis. Now there are two—the regular day and night trains. The "fast mails" leaving each city around two o'clock in the morning and handling the late mails and the morning papers, and the noon trains from each city are no more.

The industrial section of Oklahoma where its coal is mined and lumber sawed is in the southeastern part. The M. K. & T., built in Indian Territory days, is the oldest railroad and runs five or six trains a day from Kansas City and St. Louis to Texas, some of them equalling the speed of eastern trunk lines. The wave of "economy" reached here also. The folks along the "Katy" from Muskogee, metropolis of the "east side," to Texas have kicked and yelled to their representatives in Congress because they now have mail cars on two trains daily each way where they used to have four. On the local trains parcel post and mails made up by the postal men between Kansas City and Muskogee are handled and delivered by the train baggagemen, but only the fast trains—and only two of them—carry mail cars. Of course the local mail service has been impaired, but less "space" is used and some money is saved to the Post Office Department.

But the Oklahoma folks have nothing on those who live along the Great Northern in North Dakota. The heart of the wheat territory in that state and the most densely populated is on the "G. N." from Grand Forks to Minot. There the local train mail service was treated just like the Oklahoma case. There is not now a local train on the main line of the Great Northern west of Grand Forks which carries a mail car. It is the same story—elimination of local train mail car service, thereby decreasing use of "space."

The Post Office Department can share some of the criticism with the Federal Railroad Administration because here and there passenger trains carrying mail cars have been discontinued, but this is a small fraction of the cases, so small as to be negligible. The individual rail lines could and do retort

that their mail compensation has been so reduced that it is no longer profitable to haul the mails, and so they can no longer count upon mail revenues to help to pay operating expenses of passenger trains.

Ten years ago the revenues of the Post Office Department were \$191,478,663, while the railway mail transportation cost was \$48,458,255. In 1918 the postal revenues were \$388,975,962, while the transportation rate of pay was \$52,022,072. While the postal revenues were increasing 103 per cent the transportation purchased for the mails, based on the compensation paid, increased 7 per cent.

It is an axiom of every business that in the long run one gets what one pays for, and this applies to transportation of mail as well as anything else.

No attempt is made to discuss the adequacy or inadequacy of the rate of pay to railroads for carrying the mail, whether on the weight or space basis. Volumes have been written on that subject, and committees of Congress have investigated time and again.

This fact is undeniable. In the face of tremendous in-

creases in freight and passenger rates and gross earnings, the mail compensation to the railroads has actually decreased in the last three years. As a result the railways have lost interest in hauling the mails. Time was when the big railways of the country, partly from a desire to increase their revenue and partly from a pride in transporting the mail, literally fought to have their line given the big mail hauls. It is not so now. If the Government wants them to haul the mail, they will do so because they have to under the law, but there is no effort to give specially good service.

From a country-wide viewpoint the vital part of the postal service is transportation—certain, frequent and speedy. The breakdown of the postal service of the country is largely due to a lack of the transportation necessary for the local post office to function properly. There are other reasons, more or less acute in the larger post offices and more or less local in character, but the postal body cannot be healthy when its life blood—transportation—is reduced so low.

The "space basis" of railway mail pay is not without virtue. Theorists have discussed it and generally favored it for thirty years. Practical students of the subject have generally opposed it. The "weight basis" is not without some flaws and inconsistencies, but the men who built up the American postal machine found it most adaptable.

The central point is that the "space" system of pay constantly tempts a narrow postal administration to reduce the cost by reducing frequency.



Don't blame your mail carrier. He can't deliver your letters until they get to him. In the old days mails were sorted while they traveled and therefore were not held up in terminals. Now much of it is sealed in bags and thrown into baggage cars. It is sorted after it reaches the terminals, with delays of from one to six hours.

Stalking the Wildcat Stocks

The Great War, like its lesser cousins, has been followed by a scourge of shady corporation schemes; here is the simple method proposed for keeping the foolish dollar at home

By H. F. DRIVER

PROPHYLACTIC laws abound with us. From state to state they accumulate in a variety of "thou shalt nots" that is only exceeded in interest by an occasional federal enactment. Year by year, as we become more inclined to govern our legislation by the dictates of our consciences, are we saved from the horrors of aniline dyes, the public drinking cup, bigamy and the drunkard's grave.

We pause at times to shudder when we think of the days when coal tar products were a recognized form of diet; when no penalties were imposed upon the more popular forms of germ communication and domestic irregularities; when the barter in stimulants was a legitimate business. One by one our health and our morals and our personal property have received the personal attention of the Government, which, though careful to a degree, displays the same inconsistencies—the straining at gnats and the swallowing of camels—committed by all over-careful parents.

Our Government warns its citizenry against the possible admixture of benzoate of soda in tomato catsup and then permits it to sink five hundred million dollars a year in such "wildcat" schemes as raising property lost at sea, oil wells which exist solely in the mind of the enterprising promotion expert, mouse farms, and on inventions in everything from coffins to safety razors! However, it is comforting to add that a strain is being prepared for this particular camel.

It Always Happens

GREECE, Rome, Napoleonic France and the American colonies saw the spirit of speculation follow in the wake of wars.

"The country swarms with speculators who are searching all places from the stores of the wealthy to the recesses of indigence to make lucrative bargains," wrote Noah Webster of the days following the Revolutionary War. "Not a tavern can we enter, but we meet crowds of these people who wear their character in their countenance. It is remarked by people very illiterate and circumscribed in their observation that there is not now the same confidence between man and man which existed before the war. It is doubtless true; this distrust of individuals, in a general corruption of manners, idleness and all its train of fatal consequences, may be resolved into two causes: the sudden flood of money during the late war, and a constant fluctuation of the value of currencies."

Thus it may be seen that the get-rich-quick artist, who is busily trading his worthless stock for Liberty Bonds and robbing the innocent investor of his savings and his cattle and his horses for paper stock "that will advance rapidly after next Thursday," is not without historic precedent.

"We accept Liberty Bonds as cash," he assures the credulous prospective investor. "Are you interested in making yours return 25 per cent or better?"

You are interested, naturally, and the methods by which he separates you from your savings, Liberty Bonds and cash in your stampede for his "25 per cent or better" are absolutely flawless in the ease and expediency with which they are operated. Blue-sky laws of thirty-eight states have rallied in feeble protest while the operator has made his way across the state lines with his pockets bulging, keeping a coyote's irritating distance between himself and his outraged clientele.

Such heights in wildcat investment had the traffic in Liberty Bonds attained shortly after the armistice that an emergency call was sent out from the Secretary of the Treasury, the Capital Issues Committee and the Federal Reserve Board, saying that the speculative orgy in investments had placed the Victory Loan in jeopardy and the Federal Trade Commission alone had jurisdiction to check this danger.

Two questions were to be resolved, however, before the machinery of the Commission was to be set in motion: First, whether a security carried from one state to the other for the purpose of sale comes within the definition of an interstate commodity; and second, whether the Liberty Bond, or any other legitimate security, competes in the financial market with a misrepresented "wildcat" stock for the possession of the investor's money. The Commission resolved both questions in the affirmative after a thorough and deliberate study.

Meanwhile the Treasury Department in its Victory Loan activities had requested those who were asked to transfer their Liberty Bonds for what appeared to be, or actually were, stocks whose value was misrepresented to bring it to the attention of the Federal Trade Commission. A searching questionnaire was prepared and in more than a thousand

The questionnaires revealed a situation that had not fully anticipated the diversity of interests of those promoting stocks. Despite the seriousness of the situation, the mere recital of the schemes provides an entertainment of a totally different character to a dispassionate audience of government experts than that anticipated in the prospectuses for a gullible public.

Mining promotions, although older than the gold brick and the shell game, are still good, it seems. In one case investigation showed that the promoter had kept his company alive for twenty years, receiving a handsome income but giving nothing in return.

More Stockholders Than Cars

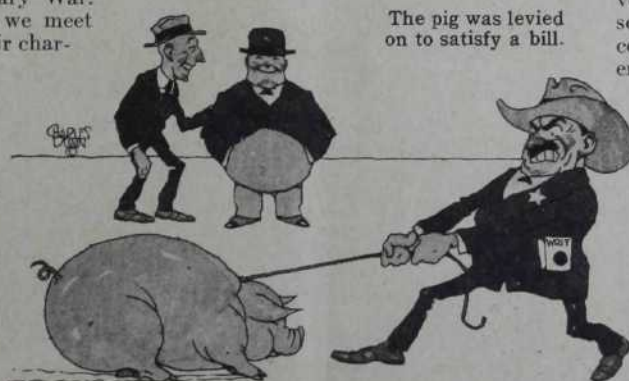
ALARGE number of fraudulent motor car companies, truck companies, tractor companies and tire companies that, under ordinary circumstances, might be perfectly legitimate enterprises, all used to defraud the public. Complaints have been received from reputable manufacturers calling the attention to the operations of promoters in these lines.

In one case a company promoted for the ostensible purpose of manufacturing passenger automobiles had a meteoric career. In less than three years it collected approximately \$6,000,000 from more than 70,000 people scattered throughout the United States, and during that period its total output was but 300 cars. The money spent on advertising was a small fortune itself, and the management of the company was characterized by extravagant waste of the investor's money.

In another similar case attention was called to the operations of a company which solicited subscriptions by featuring in its advertising a special type of engine which was claimed to be an advance over any existing motor. Investigation disclosed that, after the stock-selling campaign was well under way, the company abandoned the alleged improved engine and began to use a conventional type of gasoline motor or "stock" motor such as could be bought from any regular manufacturer.

But the flights of imagination are higher, and there is more artistry and abandon in the promotions founded upon inventions. In one recent case a promoter with a gifted imagination and a fluent vocabulary succeeded in collecting large sums from the public for stock in a company claiming to have tested a machine which was a large improvement over any existing device for drilling oil wells. The only basis for the promotion was a wooden model, small enough to rest on a desk, and no machine capable of actual drilling was ever in existence.

Devices for insuring safety at sea, for catching fish in huge quantities, companies offering substitutes for gasoline and substitutes for fuel have been promoted, and while none of them may be intrinsically dishonest, the methods of the promoter clearly reveal



and cases was sent to those against whom complaint had been made.

Of the hundreds of corporations that made reply, forty answered that they had ceased selling stock immediately upon receipt of the questionnaire and would turn back the money on hand to the subscribers. Others continued until complaint was issued. A small group have joined issue with the Commission and are contesting its right to order them to stop.

that the primary purpose of the promotion was to sell stock and not to develop an enterprise. In one case a company, organized ostensibly for an industrial enterprise along legitimate, improved lines, was found to be a scheme of a swindler who had been indicted several times but who had been fortunate enough to escape conviction.

For a fabrication of the first water, however, we cite the recent hog swindle. Not long ago a sudden crop of hog-raising companies appeared throughout the country. The claim made by them was that a sure and certain road to wealth lay in hog raising, and expensive and extravagant literature was widely distributed to show possibilities of the industry. A strong feature of the promotion was the representation that the investor, by purchasing a sow which was to be fed and maintained at company expense, could acquire a large sum of money in a remarkably short time from progeny of this one animal. Statistics were offered which promised such an increase that, if fulfilled, there would be no room on earth for human habitation. A pretentious instrument, known as a "sow lease," was drawn with all the dignity of a legal instrument. Many of its provisions were, to the practiced eye, almost farcical in their humor, but, nevertheless, such companies made great headway before their activities were checked.

In one of the cases in question it was found upon investigation that the sole assets of the company consisted of six hogs, one of which had been levied on to satisfy a judgment against the company for feed for the others. This company had in circulation a most expensive and attractive scheme illustrated with photo engravings of buildings and livestock, none of which were owned by the company.

In investigating the hog-raising scheme, poultry-raising promotions of doubtful character came to light, "fur breeders" companies, and even a mouse farm!

Their Unholy Cunning

SOME promoters by their long practice have attained a skill which in a more worthy enterprise might lead to considerable success. Their energy commands a certain degree of admiration because of their constant readiness to offset a failure with a brand-new proposition, better than any previously offered. A promoter of oil companies in the course of two years started four companies of large capitalization. One by one they were abandoned, but he is still doing business. This promoter was lavish in his advertising, one form of which consisted in having articles written for magazines, apparently conducted as independent enterprises, but in fact as a part of the propaganda of the oil promoter. Such magazines might be published far from the scene of his operations and thus be made to appear as independent tributes to the worthiness of his enterprise.

Some companies frankly admit that they do not offer stock for sale in any state having "Blue-sky" laws. During the height of the oil speculation in Texas not a few companies, upon receipt of the Federal Trade Commission's questionnaire, immediately offered to end operations.

Thus has the panacea for shady operations developed of its own accord. It was soon found that the strong light of publicity offered no quarter for the wildcat promoter. In the same manner that the pure food bill, while not prohibiting adulterations or substitutions, requires that such be stipulated so that he who buys may read, so the Federal Blue-sky law, now before Congress, is drawn to compel the promoter to make a faithful statement of what he has and who he is, so that any intelligent person may know whether he is a swindler and selling clear blue sky. It is purely a publicity measure, compelling the individual or corporation to show the important things which the purchaser of the stock has a right to know. It is believed that most of the evil

states a violation of the Blue-sky law is only a misdemeanor, and it is a rare thing for one state to grant a requisition for the return of a person having committed a misdemeanor in another state. The present form of the proposed law is drawn to allow cooperation with the state laws in every way.

In the meantime Uncle Sam offers the following advice:

Beware of the glib salesman.

Beware of the prospectus that promises much.

The investment will keep. Don't hurry.

Compel your salesman to put into writing the rate of commission he is receiving, how much of your money will be used in developing the property or business, and that he acknowledge that you in buying are relying on his statements.

Strike out of the prospectus all language except that which tells just what money the company has, what property it owns and what work it has done.

If you learn subsequently that you have been deceived, consult your nearest state or federal prosecuting attorney.

It was a terrible day when we read the fatal words "Poison" or "Eighty-Five Per Cent Alcohol" on our favorite nostrum; but consider the day, not so far in the future, when our pet investments shall be labeled "Watered," this speculation is 99 per cent Blue-sky. You buy it at your own risk!

A World Business League

APPOINTMENT of the six members of the American Organization Group, which with similar groups from four European countries will prepare a plan for permanent organization of an International Chamber of Commerce, is announced at the general headquarters of the Chamber of Commerce of

the United States. The names of members of the four foreign groups will be cabled to this country in the near future. The American members are:

A. C. Bedford, chairman, vice-president of the Chamber of Commerce of the United States and chairman of the board of the Standard Oil Company of New Jersey.

Thomas W. Lamont, J. P. Morgan and Company.

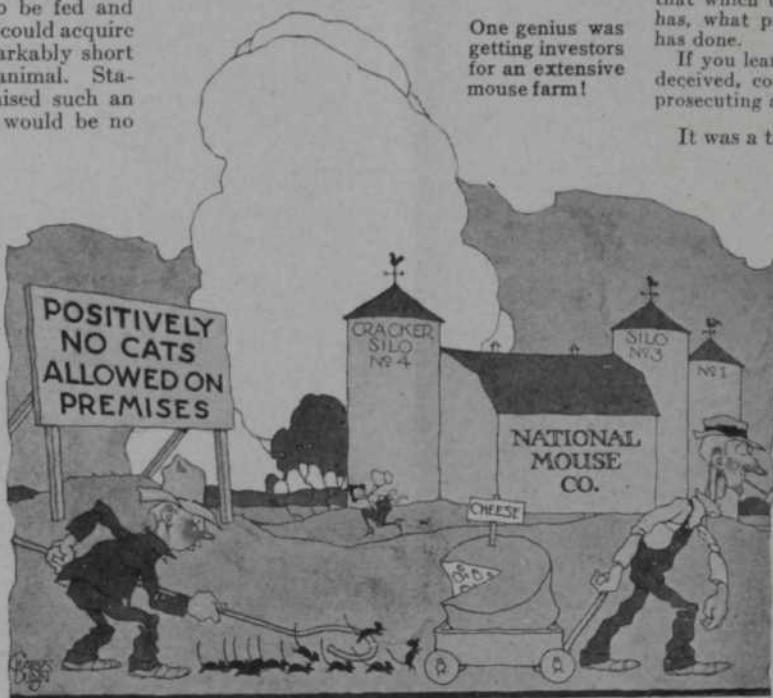
Richard S. Hawes, president of the American Bankers Association.

Edward A. Filene, director of the Chamber of Commerce of the United States and president of William Filene's Sons Company, Boston.

John H. Fahey, honorary vice-president of the Chamber of Commerce of the United States.

S. C. Mead, vice-chairman and secretary of the group, secretary of the New York Merchants Association.

The five groups, comprising the International Organization Committee, will meet in Paris in May a month prior to the first meeting of the International Chamber. Delegates to the first meeting of the Chamber will be from the five countries participating in the International Trade Conference held at Atlantic City last fall: The United States, Great Britain, Belgium, France and Italy.



One genius was getting investors for an extensive mouse farm!

swindling operations would be checked from the start if the promoters were compelled to tell the truth regarding their enterprises.

The purpose of the bill is emphatically not to stop speculation—merely to let the purchaser know what is behind it. In a recent case one concern, which had only a piece of unproven territory and the machinery on it, while purely speculative, suddenly struck a well that produced 1,000 barrels of oil a day. Cripple Creek, Leadfield and Goldfield and many of the great western mining camps have been developed by speculation. The Government frankly does not want a bill which will require it to take the responsibility of passing on the validity of any form of speculative promotion. It simply asks that the circulars, letters or advertisements issued in selling the stock set forth three things: the names of the promoters (and the word "promotor" is used advisedly to catch the wildcat manipulator), the rate of commission or bonuses, and the net amount to be received from the sale by the issuing entity, corporation or association. This would insure the actual amount that went into the treasury as the common property of the stockholders of the corporation and, in short, would require the promoter to keep his activities open to the business public.

The federal law would serve as a reinforcement in the thirty-eight states which already have Blue-sky laws. In sixteen of these

*The Business Man's America--No. 1***ARKANSAS**

Why is this state buying Persian rugs where once it was contented with ingrain carpets; and vacuum cleaners instead of carpet beaters? That is really the subject] of my story

By ARCHER WALL DOUGLAS

EVERY business man is looking forward to new trade territory. Some have eyes on new business in the city, others in the state, others in the nation, while for still others the world is their market. Success is measured by vision. In the past Americans have moved by instinct and intuition. The fierce economic struggle of today means that all must add analysis to this intuition.

The writer of these articles is vice-president of one of the most successful and largest concerns of its kind in the

United States. Years ago he gathered data on new trade territory, made analysis, drew deductions. He studied, for example, Arkansas. He observed potentialities—and obstacles. His firm was ready on the spot when these obstacles were overcome.

No business man can take over bodily the results of this investigation. But the underlying principle—sure as death and taxes—he can adapt to the better development of his own business.—THE EDITOR.

I THINK I can say, without egotism, that I know the United States at first hand.

The name of a state, to me, brings before me a vivid composite photograph, so to speak, of its people, with all the traits of character, temperament and intellect traced there incontrovertibly. There also arises what I may call—in professorial parlance—the topographical physiognomy of the territory. Simply, this means mountains, valleys, lakes, rivers, harbors, soil, and climate, what crops can be raised, what livestock nourished, what industries thrive, what commodities are necessarily in demand.

Each state, then, exists for me as a composite personality, just as each customer exists as a distinct personality for the good salesman. And the United States is to me a group of personalities, each a single state, all different—as different as my character is from yours or yours from the next man.

Take the ordinary business trip. From the train window, say, the observant person sees a good many trees, probably all planted since the white men settled the country, but practically no forests. He draws the conclusion that it is not naturally a state with any great lumber industry and that much of the lumber it uses must come from other states.

There will not be much demand for certain kinds of articles, such as axes and cross-cut saws. He sees some fruit trees, mostly apples, and, say, peaches in the southeastern and eastern portions of the state. He realizes that the commercial fruit industry is not a large one. He is struck by the comparative absence of rivers and lakes, such as are familiar in the landscape of states farther east and north. He concludes naturally that any extensive system of irrigation cannot be had to assist in overcoming the natural aridity of the soil.

So, in farming communities, he observes whether farms are well stocked with the capital necessary, with farm implements and machinery, barns and storehouses for crops, silos, livestock. He sees the crops growing, the extent or lack of them; diversified agriculture—extent or lack. And so on. The process of experienced observation is endless.

It is a matter of common experience that many landowners and real estate dealers have amassed great fortunes by early investments in unimproved lands which later became very valuable either for farm purposes or else for building operations in great cities. This is usually ascribed to mere luck and blind chance. But it is oftener the result of far-sighted vision

which perceived and analyzed the inevitable drift of civilization to the lands in which the investment was made.

In the case of a potential great city, as Saint Louis on the Mississippi, or Chicago on the Great Lakes, the problem was as to the direction which the growth of the city would take. It was usually sure that manufacturing and residence growths would not take the same trend. Then the question arose: How would they divide?

There are cities whose growth was early perceived by those of vision, yet for whose existence none of the conventional reasons give sufficient answer. They are not natural "keys" to any particular section. They are not on large water courses, nor yet is their situation the gateway to any extensive section of the country. Why is Atlanta, or Indianapolis, or Rochester, or Kansas City, or Los Angeles? Again there is one sufficient answer—the spirit of the people. And in the last analysis, as will be developed in this and succeeding papers, this is likewise the answer to the development and progress, or the lack of them, in the story of every section of our country.

Again the natural conditions of soil, climate and resources, of different states and different sections are infallible indexes to the nature and extent of their development and progress in the future—that is, to all save those who, having eyes, see not.

The indexes of the future are as elemental as the solution of a Sherlock Holmes mystery, especially when once pointed out. It is merely the old story, as the Thinking Machine said that "two and two made four—not sometimes, but all the time."

It is the purpose, therefore, of this and the succeeding articles to set forth the story of certain states, selected as types of those studies in the development of the country, that must be part of the policy of every great organization which seeks to found its business upon intelligent study of what the future holds among its possibilities and its likelihoods.

The Propaganda of Ignorance

A GENERATION ago the State of Arkansas was a synonym for slowness and unprogressiveness among those unfamiliar with the commonwealth and its people. The inhabitants were popularly supposed, by the unknowing, to be divided into "Hill Billies" and "Swamp Angels," and to be without am-

bition for anything better than the ways of their forbears. The "Arkansaw Traveler" anecdote was thought to typify the shiftlessness and easy-going content of the people.

The story of the "Arkansaw Traveler" was in fact the source from which a vast number of the people in the United States drew their conceptions of the state and its inhabitants. There was the vivid mental picture of the good-natured male, too indifferent and too lazy either to repair or improve his unsightly cabin, devoid alike of comforts and conveniences. There were the unattractive and uneducated women and children clad in sun-bonnets and homespun clothes. The sole background, in the popular imagination, to this scene was the Lamber cypress swamps, draped with pendant funeral moss, and redolent with mosquitoes and malaria.

What They Didn't Hear About

THERE was scant knowledge of the fertile valleys, of the far stretching belt of yellow pine, the future reliance of the country for its lumber. Nor of the picturesque forest clad Ozark uplift with its crystal streams and untouched deposits of mineral wealth. The ignorant though widespread thought concerning Arkansas was that of a people unconscious of their mental inertia and unprogressiveness, and whose local and state pride found expression merely in a boastful recital of advantages and resources which they failed either to appreciate or develop. Added to this was the prevalent impression that immigration was not desired and that foreign capital was far from welcome. The fantastic enactments of some of the legislatures only gave color to these exaggerated conceptions.

At a time when such reports had much credence and general circulation, one of the large distributing concerns of the country was engaged in making a general survey of the country in regard to the future possibilities of its business, and Arkansas came within the ken of its observation.

The initial reason for such observation was the realization that any business of widely extended interests must take thought of the morrow if it hoped not only to hold its own, but to make that steady progression which marks and distinguishes the successful commercial organization. In every phase of business life that looks to the fruition of its activities there is always necessary the perception of great changes and great opportunities before they occur, and not afterwards

To this end nothing may be neglected, however insignificant or unpromising. Equally must there be that method of analysis and investigation which approaches the subject with an unbiased mind—a slate wiped clean of preconceived opinions which are always wrong and misleading. There must always be an entire absence of any attempt to prove a theory, for facts must first be had and the theory follow as the natural consequence of intelligent and unbiased study of the facts. Such sure conclusions as form the basis of future action can come only from that exercise of common-sense and reasoning such as has found vivid illustration in the great series of detective stories by Edgar Allan Poe and completed by Conan Doyle, for they represent that analogy of deductive and inductive reasoning familiar in every phase of human intelligence.

Her Two Sections

ARKANSAS consists practically of two diverse topographical sections, and a line drawn from northeast to southwest though Little Rock leaves the mountainous region to the west and the plains to the east.

There is great variety of resources and of the possibilities of production. There is much hardwood in the mountains—ash, red gum, hickory and oak, vast forests of yellow pine in the plains, and a great growth of cypress in the swamps.

At that time the white pine forests of the northern states were fast becoming exhausted, and it was perfectly obvious that in the near future the lumber supplies must come from two sections—the far northwest and Pacific slope, and the southern states.

There are many minerals in these mountains: zinc, lead, coal, bauxite, oil, manganese, oil stones, and many of the clay products.

But transportation, the one thing needed to give value to these crude riches, was largely absent in the rough and hilly western part of the state. The mountains were not very high, but they were rugged and rocky, and roads, whether surface or rail, were alike expensive to build and costly to maintain. Until economical means of transportation were found, all the hardwoods and minerals were of small value. It was then a saying in the lumber business that forests more than 20 miles from a railroad were too expensive to cut.

There was a still further deterrent to progress. All mountain people are both primitive and elemental because they see but little of each other and less of the outer world. Their mental horizon is as circumscribed as their physical views, and they are the unconscious slaves of inheritance and tradition. Their advancement comes usually from an impulse from the outside which brings new thoughts and aspirations and breaks down all the habits and ways of the past. The opening up and development of the Ozark regions of Arkansas

could come only when the world of capital had true vision of the potential riches hidden in those silent and picturesque hills.

The plains country is one of great fertility and many possibilities of agricultural development. Much of it was forest clad with most valuable standing timber. Much of it was very rich alluvial deposit, along the banks of the numerous rivers that traverse the



In the beginning the state had a rich alluvial soil watered by many streams. But there were three small villains that had to be mastered before the wealth could be fully realized. Do you know who the sinister three were and how they were overcome?

state. But that was a deadly peril in those days, for it carried with it the danger and ban of malaria and yellow fever. Inhabitants of these rich soils were ceaselessly engaged in a losing fight against enfeebling and energy-destroying diseases. Yet the state could and did raise all the products that grew both to the north and south of its boundary lines. It knew but little of the small grains, wheat, oats and the like; something more, but not enough, of corn, for its main hope and dependence was cotton. Nor did it realize that in this it leaned upon a broken reed. It grew some fruits, watermelons, peaches, pears, strawberries and apples, in a way and of a nature and quality which hinted at the great things which the future held for it in fruit production. Also it did some stunts in truck gardening, but markets for such products, and the means of reaching them, were then few and not encouraging. It had sufficient, fairly regular and dependable rainfall, so that it was measurably immune to those prolonged and devastating droughts which were the bane and stumbling block of agriculture to the west and northwest.

It was not a good cattle or dairy country, and for two very good reasons. It was so obsessed and occupied in raising cotton that it had neither time nor inclination to raise feed for its livestock, and it was too expensive to import this feed to any extent from the great grain belt to the north. So it was content to import packing-house products from these same northern states, and its razor-back hogs were of like fame with the little sketch of

the "Arkansaw Traveler." Then there was the Texas cattle tick, whose prevalence everywhere in the southern states made cattle raising impossible on any large scale.

The plains had more and better means of communication than the mountains, especially in railroads. But the latter were in small proportion to the extent of the country they traversed, and, moreover, they were not popular among so elemental and direct a people as those of Arkansas. In those days railroad building and management was often an adventure and speculation rather than a business enterprise. The executives were sometimes the real thing in pioneers and world builders, but not infrequently mere predatory highwaymen who concealed their real nature and purpose under the specious title of High Financiers.

The solution of the whole problem lay deeper and found its answer in that universal factor of success, the spirit of the people. They were of almost pure, undiluted, Anglo-Saxon native stock, the foreign infusion—both of birth and parentage—being only 4½ per cent. Whatever might be the physical and mental inertia of the hillmen from solitude and lack of communication with the outside world, and of the plainmen from malaria and the burden of tradition, they had preserved unsullied throughout generations all the courage, resolution and determination which made their forbears conquerors of disease, of wild beasts and savages in the days gone by. The real problem was to awake their consciousness to the neglected possibilities of development and progress in their state.

The Greatest Deterrent

IT is true that in their midst was an immovable handicap and the greatest of all deterrents—nothing less than a large negro population, 28 per cent of the total, ignorant and illiterate, and, because of these failings, criminal in percentage beyond its ratio to the whole population. Moreover, the black man was peculiarly content with things as they were after a childlike and happy fashion, and consequently averse to change. Especially such change as required hard work and hard thinking, with self-denial thrown in for good measure.

In general they were good field hands, but wedded to the agricultural ways of the past. They knew how to raise cotton, but were not keen about trying new ventures with other crops. Consequently, in the coming days of diversification they were among the principal stumbling blocks to the new ways and methods of agriculture. Their illiteracy was largely their misfortune and the result of centuries of slavery. Nor was there at that time a general perception throughout the country of the vital necessity, for the benefit not only of the black but of the white race as well, of the general education of the negroes.

Meanwhile fate was preparing to answer the question in an entirely unexpected and far-reaching fashion. What happened was the startling exposition that the social, economic and political life of the South was bound up in the conquest of three insignificant but malignant insects, the cotton boll weevil, the Texas cattle tick, and the malarial-bearing mosquito.

From the very beginning of the agricultural history of the South in an extended way, the cultivation of cotton was the principal industry. In time cotton became king, because it was the most economical and most practicable of all fabrics for clothing, and the South became largely a one-crop country. For a one-crop country is a psychological phenomenon rather than a material necessity. It is not, as events prove, that the one crop is the best agricultural system, but rather that this is unthinkingly accepted as a dictum, because it seems substantiated by the experience of the past.

Men Reflect Their Environment

NOW men are largely as their pursuits and environments. So the tendency of the people of all one-crop countries is to that single-track mind which is the accompaniment and result of one-crop methods. There is scant receptiveness to new and passing impressions and an overweening regard and reverence for the ways and customs of inheritance and tradition. To the extent that one-crop practices and ideas prevail in any country, to that extent is progress hampered and delayed. In business ways this means that buying and selling are much along the lines of the past. That new goods and new inventions do not meet with any ready reception. That economical, labor-saving methods and machinery find scant use among those to whom the ways of their forefathers are good enough. So enterprise and development lag far behind and the ordinary wants are few and mostly for the things of replacement and repair. Contrariwise, the people of countries and states of diversified crops and industries are as many-sided as their employments.

In 1892 the cotton boll weevil crossed the Rio Grande from Mexico into extreme southwestern Texas near Brownsville and began its steady and relentless march northward and eastward, a march which will end only when the extreme limits of the cotton belt in this country have been reached. Wherever it appeared its ravages practically made cotton growing either impossible or unremunerative. All methods of insect destruction were without avail. It multiplied with amazing rapidity, and its only passions seemed to be eating and reproduction. It defied all human efforts as effectually as did the insect plagues which Jehovah sent upon Pharaoh and the Egyptians.

The immediate effect of the invasion of the boll weevil in any section was a complete and immediate paralysis of all agricultural and commercial life.

The credit system was of that vicious type which often prevails in one-crop countries. Advances for needed supplies were made to the farmer and the planter by the general supply stores, and the coming crop, long before it was planted, was mortgaged as collateral for these supplies. The enhanced prices paid by the unfortunate agriculturist were consequently in accordance with the long credits.

It was in effect a system of economic slavery, burdensome to be borne, and yet from which escape seemed as impossible as from the grave. Under one-

crop conditions prosperity and depression succeeded each other in sharply accentuated cycles according as crop yields were abundant and prices remunerative, or scanty and unremunerative. Upon the appearance of the boll weevil the labored fabric of long-time credit fell into sudden and general ruin. It was obviously not even a gamble to advance money upon a crop that was quite sure to be disastrously short. Out of this bitter necessity came the real beginning of diversification of crops.

The same enduring racial fiber which carried the Southern people through the Civil War and the consequent reconstruction period came to their aid. If cotton could no longer be grown successfully, then something else must take its place. So thought, attention and endeavor naturally turned to the production of grains, forage crops, tubers, fruits and garden truck—all those products that had been so long and systematically neglected. This diversification, fortified and advanced by the effects of the European war, has unquestionably come to stay.

In 1906 the boll weevil appeared in the southwestern portion of Arkansas and by 1916 had covered all the cotton-growing parts of the state except the extreme northern border. Yet cotton is still the principal agricultural product in Arkansas, and its yield under favorable weather conditions is as large as in the past, for by intelligent methods of cultivation it is possible to raise large yields of cotton in spite of the boll weevil. But the relative importance of cotton production in the state has materially declined not because less cotton is raised but because more of other food products—for man and beast—have become a necessary part of the farmers' curriculum.

There are grown more grains of all kinds, also forage feeds for the increasing number of cattle. Alfalfa, once a total stranger, is known in practically all parts of the state. Arkansas is likewise a large exporter of fruit, apples, peaches, cantaloupes, watermelons, strawberries, and of vegetables to northern and western markets. Rice, growing on the upland prairies in the central eastern section of the state, is an important industry.

The European war finished what was left of the one-crop idea and of cotton as king, as the export demand was largely decreased. There was no market in 1914 and part of 1915 for much of the cotton grown in Arkansas. The price fell to five cents per pound, less than the cost of production, and there was only a limited demand for the fleecy staple even at that ruinous figure. As the cotton planters had nothing to sell they were practically without funds wherewith to obtain those supplies of food which in the past

they failed to raise, and consequently had to purchase them from the great grain and livestock states of the west and central-west.

In very desperation they were forced to grow their own foodstuff. In this they were aided and seconded by some enterprising bankers and merchants of Little Rock, who started a campaign whose war cry was that "Arkansas should feed herself." That she should, as she easily could, produce all the food needed for her people and her livestock and thus save those many millions of dollars which annually, in the past, were sent out of the state for food products.

The Fight for the Cattle

IN this they were aided by the fight which the Federal Department of Agriculture had been waging since 1906 to free the southern states of the Texas cattle tick. The presence in the south of this noxious insect in countless millions had for many generations made the raising of livestock impossible on any extended scale.

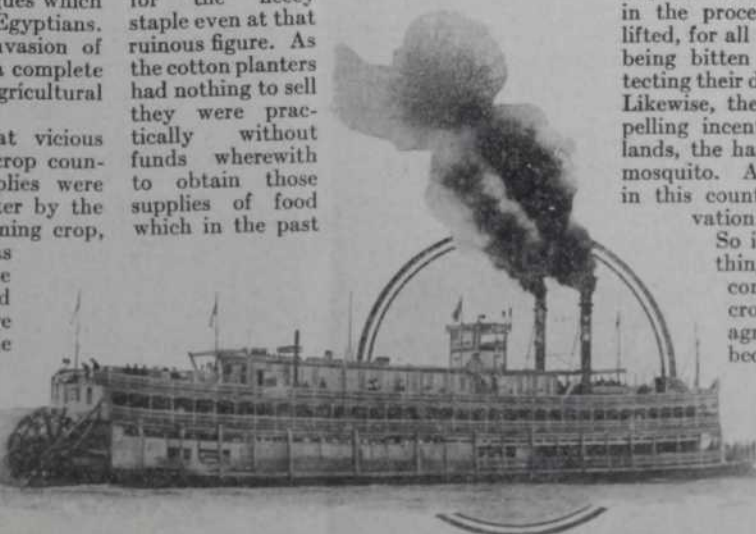
It was easily destroyed by driving the tick-infested animals through a vat of arsenic solution. By 1914 one-half of the state was rid of the tick and it began then, in common with the rest of the south, to realize its destiny as a part of the great cattle-raising section of the country. It had abundant natural pasturage and forage. It was free alike from devastating droughts and destructive blizzards. With the consequent increase in cattle came naturally a corresponding increase in the number of hogs, of high breed and productivity.

There remained only one more ban to be lifted, that of malaria and yellow fever. Wherever malaria existed, enervating sickness was common, and immigrants from abroad and from the other states refused to come. There was likewise the apprehension of the recurring outbreaks of yellow fever, which it seemed impossible to prevent, and which not only took a heavy toll of human life but paralyzed all business and all economic and industrial life wherever it prevailed.

Infested districts were quarantined against all the world. At times there were shotgun quarantines where to cross the dead line meant instant death.

In 1901 it became definitely known that both malaria and yellow fever could be conveyed only by the bites of certain species of mosquitoes. In the hospital corps of the United States Army in Havana, Cuba, there were easily found American soldiers who offered their lives to establish this scientific truth. The test was complete and conclusive, but some of the heroic volunteers died in the process. Immediately the ban was lifted, for all that was necessary was to avoid being bitten by these mosquitoes, by protecting their dwellings with the needed screens. Likewise, there was an additional and compelling incentive to the draining of swamp lands, the haunts and breeding places of the mosquito. At once the richest alluvial lands in this country became available for cultivation.

So it is that the beginning of those things foreseen by the survey has come to pass. Diversification of crops is now a fixed part of the agricultural life of the state, because of the necessity bred by the boll weevil and the opportunity afforded by the freeing of the greater part of the state from the cattle tick. The resulting prosperity not only means greater material welfare but



its inevitable accompaniment, a broadening of the mental horizon of the people and their increasing interest in all the phases of education and enlightenment. The one-time provincialism among the many is fast becoming only a memory.

There are increasing developments in mining, and the lumber output ranks fifth in the country. Arkansas is fast not only feeding herself but exporting great quantities of fruits and garden truck to northern and western markets. Agriculture, the basis of economic life, has a new vision as to production and diversification.

Furthermore, dispelling the fear and likelihood of malaria made possible the immigration of those outside the state who had previously shunned making their home in or often even visiting a region where this dread disease prevailed. Immigration from the other states brought with it new ideas, new methods.

It is an interesting fact that the draining of these lands and their being made thus avail-

able for cultivation bring back in those who form them that pioneer spirit of independence of thought and action and sturdy industry which gave this country her place among the nations and maintains it there today, since it is the elemental spirit of American democracy. Now none of these things which came to pass were difficult to forecast by those who were familiar with the entire country and knew, both from observation and study, what had been the results of similar happenings in other states.

For instance, in portions of Missouri, Illinois, and in northern Ohio, along the shores of Lake Erie, as to the draining of swamp lands. Equally elemental, as Sherlock Holmes would say, was the sure effect upon farming when the Texas cattle tick was exterminated and the general raising of livestock made possible.

The fallacy of one-crop farming, that of cotton in the South, had long been recognized and set forth by the intelligent and advanced agricultural teachers of the day, both federal

and state. But they were as the voice of one crying in the wilderness. There was but one other way, and Nature furnished it, as she always does, in the shape of trouble and apparently dire misfortune.

Most momentous of all is the new-born spirit of the people as evidenced in a recent liberal constitution and the consequent fast dying out of that feeling in the outside world which made the stranger to the state regard it as undesirable either as a residence or a place in which to do business.

What was early apparent to the makers of the survey is now apparent to all—that the Anglo-Saxon stock of the people had preserved its native qualities throughout all the generations of trial and stress and needed only the compelling impulse of opportunity and creative suggestion to come into its own.

EDITOR'S NOTE.—This is the first of a series of character studies of the States by Mr. Douglas. The story of Kansas will appear in the May issue.

Unrest--"Made in America"

Alien doctrines come to us by sea, but there is nothing to fear from them if they find here no friendly soil prepared by our own industrial and political management

By CHARLES NAGEL

Former Secretary of Commerce and Labor

THERE is no question that the popular demand for "Americanization" is at the moment so urgent that only a common belief in the existence of very grave conditions can account for it. There is, however, very great question whether the motives and purposes which prompt this demand can be in any reasonable measure harmonized or even reconciled. We are much given to the employment of slogans, and we are ever willing to dismiss them after they have served as the inspiration for a particular political triumph.

The question, therefore, is whether Americanization shall be a day's political slogan or a permanent national program. It promises to be the latter, however politicians, captains of industry or labor leaders may think about it. Conditions that had been brewing before the war have been accentuated by the experiences of the war. In one way or another the demand for the meaning and for the realization of Americanization is bound to be made and to be met.

Long before the war we toyed with the problem. It is perfectly true that even then many were moved by the clear conviction that the salvation of our institutions depends upon the intellectual and moral preparedness of all our people. But it is equally true that our chief attention was given to measures calculated to discourage or to encourage immigration.

This situation was largely at the mercy of those who read the prospect for low or for high wages, in the common rule of supply and demand. In other words, we scarcely got beyond the most superficial material tests. Fitness for citizenship was a secondary consideration, a remote contingency to be underwritten by naturalization papers, to be issued just in time for some momentous political decision. It was in accordance with so blind a policy that we admitted healthy members of an immigrant family because

Our Citizens from Abroad

AN OLD saying points out that there are other ways of killing a cat than by choking him with butter. By the same token there are other ways of making Americans than by sticking the flag down the prospective citizen's throat.

Here is a bit of timely philosophy on the subject of Americanization by one who has studied it carefully for years. As Secretary of Commerce and Labor in President Taft's cabinet, Mr. Nagel had every opportunity to judge as to the workings of our immigration laws. What he has to say might well be borne in mind the next time the Americanization policy of your concern is up for discussion. For that matter, it wouldn't do any harm if you remembered it the next time you pass an Italian ditch digger or have a Greek shine your shoes.—THE EDITOR.

they could work, and turned away unhealthy members of the same family—often dependent minors—because their presence meant danger and expense to us. We had our eye on the material advantage. We never saw that those who were admitted under such conditions (if they had a spark of self-respect to inspire them) must enter our country with a feeling of contempt or even hatred for a government that could impose and enforce so hard a policy.

The question is not so much whether a strict or a liberal policy is adopted for immigration *en masse*. The point is that, whatever the general policy, the law must be applied to the individual in such fashion that the everlasting rules of justice, humanity and decency may be exemplified. The head of a family who is told that the dismemberment of his family is necessary for the preservation of free institutions may have to admit that he

cannot read English, but he will insist that he can interpret the Statue of Liberty; and he will know that the lofty promises of that monument cannot be reconciled with the monumental crudities of Ellis Island decisions, superinduced by statutory mandate.

The question may be asked: What has all this to do with "Americanization?" The answer is that it lies at the very threshold of the kind of Americanization which its chief advocates now have in mind, and which is to tell the newcomer how to be good.

Assume for argument's sake that for a time immigration may entirely cease (as for some years it virtually had, owing to the war). Assume that the statutory policy and the administration of the law may be radically humanized. Nevertheless our conduct in the past must affect profoundly any measures for Americanization that we may adopt, because that conduct has served to define the attitude of the newcomer with whom we now have to deal. Important as this consideration may be, it is even more important that we in the future abandon our attitude of supercilious supervision and approach our citizens to be with the assumption that they at least possess the germ of self-respecting freemen.

Let us therefore consider the question with respect to our population as it is now constituted. Generally speaking, it appears safe to say that many of our most ardent advocates of Americanization proceed upon two fundamental errors. They assume that our unrest is imported, and they look to repressive measures for a cure. The first assumption is one of those easy conclusions which we are apt to accept to escape the confession of our own shortcomings.

No doubt we have in our midst distinctly foreign elements, among them advocates of entirely alien doctrines. But our soil is in no way prepared for such a crop; and but for our own hysterical advertising of these

persons and their doctrines, they would not rise to the point of practical significance. It is an entirely safe assumption that any doctrine which advocates a change in our institutions by violence would be just as promptly dealt with by the newer as by the older citizenship. The record of the war should make that clear. The unrest that will give us something to think about is a home product which may be called "America-made." It is the result of our management or mismanagement of our own affairs, political and industrial. Its advocates are just as numerous and just as persistent in those states where immigration represents a small percentage as they are in those states which are crowded with the new arrivals. We should not deceive ourselves. We have spent our time boasting of political liberty, but we have neglected industrial justice. Even now we talk of resuming "normal conditions," just as though there had been no war to awaken the people to the dream of democratization, without so much as the suggestion of a concrete plan for its realization.

"Normal Conditions" Gone

THOSE "normal conditions" are of the past. Something new is bound to come. The only question is: Who will make the suggestion, and will the answer be offered in moderation or forced in extravagance? The unrest which we regard with so much alarm is a ferment that will inevitably ripen into a new industrial system; and this unrest is not to be charged or credited to any particular part of our population.

When, however, we come to deal with questions of relief or remedy, no universal rule can be applied. Even the accepted

methods of repression operate to create more distrust and unrest in the old population than in the new. We are unaccustomed to such drastic measures, and we regard them as an attempt to perpetuate executive power that should have gone into disuse with the end of the war.

During the great conflict people patriotically accepted the law of necessity. But if that necessity is to survive the war, then we wonder what free institutions were intended to secure. If our free institutions must be sustained by the arch enemy force, then we wonder whether those institutions have not failed of their supreme purpose. In a word, public accusation and the actual inflicting of punishment by volunteer organizations, wholesale raids, arrests and incarceration without warrant, hasty trials with verdicts and sentences often enough influenced by the voice of the corridor official investigations that besmirch character without warning or opportunity to correct—such proceedings may be tolerated in war, but they are out of tune with our traditions and with our conception of fundamental right. Persistence in them can have only the one consequence—to nourish unrest and to breed the very conditions that we hope to allay. There is a widespread conviction that we ought to re-Americanize ourselves.

But trusting that in this respect we may hope soon to return to a normal state, there is one phase of the Americanization plan which undoubtedly and necessarily has reference to our immigrant population. Granting that a large percentage of this population is not prepared to take its place in our system, and stands sorely in need of educational influence, can we ourselves be said to have grasped the fundamental guide for the exertion of such influence?

The patronizing attitude never wins. Teaching from the platform down rarely per-

suades, and a scheme of "don'ts" and "musts" will almost surely repel. It is one thing to tell an immigrant that he must learn our language, because without it he cannot understand and serve our institutions. It is quite another thing to tell him that he must forget his native language. He might retort that, if we were more conversant with foreign languages, we might have a keener insight into international affairs and might indeed make better progress in foreign trade.

Confidence Must Be Mutual

IT IS a safe tenet that the immigrant will never learn to understand us until we try to understand him. It is equally safe to say that we can never win him until we let him feel that he not only receives from us, but also contributes to us. Confidence and cooperation are based upon the recognition of that kind of mutuality. These people have much to bring besides labor. They have traditions and they have ideas and dreams. Their clergymen and priests and their editors are their teachers.

We must be willing to hear what they have to say, as we ask them to listen to us. Self-respect cannot thrive upon toleration alone, and without self-respect there is no basis for equality of citizenship. Lincoln struck the true chord when he said that we are not all of one race in this country. Others came to us—the Scotch and the German and the Irish and the Scandinavian and the Dutch and the Jew, and so forth; most of them came later. But when they read the Declaration of Independence they had a right to feel that they were blood of the blood, flesh of the flesh of the men who wrote that Declaration.

Upon that basis we may bring out what is good and strong in men and women. That note would appeal to their very souls. There is no other road to an Americanization to inspire mutual confidence, national self-reliance, and undivided devotion to country.



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Study the faces of these immigrants as they while away the time in the steerage. There is not so much difference between them and us. They have feelings and points of view that

deserve to be respected. The whiskered germ of Bolshevism comes over with such men. Whether it dies or thrives depends entirely upon how we act toward them after they reach our shores.



When Are Statistics Illegal?

THE OPEN COMPETITION PLAN, as actually conducted in the hardwood lumber industry from Chicago to New Orleans and from West Virginia to Texas, is to be put to the touchstone of the Sherman Act. The central part of the plan is a statistical bureau, which issues monthly reports of stock in the hands of each company in the membership, a monthly report of production by each company, and a weekly sales report, showing each actual sale by company, price, and destination.

In connection with the weekly sales reports there appear to have been comments in the way of advice about the probable trend of prices and the policy which should be followed in production. There was a monthly meeting, too, in each of four geographical districts.

The result, according to the Department of Justice, was to keep down production and to double or treble prices between January, 1919, and January, 1920.

The department asks the court to enjoin any further oral agreements at monthly meetings to eliminate competition, discussion at meetings of the prices that have been or are to be charged, publication of the statistical statements, exchange of predictions that prices will be maintained or enhanced, and any activity having the purpose or tendency to maintain or increase prices.

Possibly this case will not afford a chance to have a test for the legality of a cooperative plan for distribution of information, for the Department of Justice has included in its presentation of the case statements which were sent along with the statistics and which admonished mills not to increase production and thus kill the goose "just now industriously engaged in producing golden eggs." In this connection it is to be remembered that even Holy Writ might be used as a device for violating the Sherman Act, but that would not necessarily be an argument against Holy Writ.

ON THE other hand, the Department of Justice goes pretty far in taking an attitude that, from manufacturers' points of view, the only evil practice to be eliminated through cooperative action is low prices. With any such suggestion the Federal Trade Commission might disagree, for it conducts "trade practice submittals," through which it seeks to eliminate from whole industries practices which no concern may like but of which none thinks it can let go without assurance that all the rest do likewise.

As for the officers of the association against which the Department of Justice has filed its bill, they appear confident of the legality of their plan and assert they have kept the Department of Justice and the Trade Commission fully advised regarding its operation, sending them copies of every bulletin and report that went to their members. They point to the market information the Government itself issues to stock raisers, fruit and vegetable growers, producers of dairy products and the rest, and take the position that in a small way they were merely supplying similar information to their own industry.

By all the tokens, this will be an interesting case.

Little Tragedies of Exchange

EXCHANGE, when currencies go to smash, works some hardships of which the bankers may not be aware. A professor of renown in Hungary writes that in his country, books, the raw material in the academic world, have been put

out of reach of private individuals and libraries through the state of exchange. A standard book published in another country would cost the Hungarian professor 1,000 crowns in his own currency, and an annual subscription to a scientific journal would put him out of pocket to the extent of 1,500 crowns. The result for him is an embargo on knowledge of what the remainder of the scientific world is doing.

The effect of rates of exchange appears in other quarters, too. For example, Canada finds that the discount of 10 per cent on her money when turned into our currency helps her exports to Cuba to overcome the preferential rate Cuba gives to goods from the United States. Canadian sugar-mill machinery pays 10 per cent ad valorem when imported into Cuba and our machinery pays 8 per cent. The rates of exchange, however, have overcome this differential and given Canadians an advantage of 8 per cent. Canada has been conning the quotations in connection with her rates to Australia, too, and urging that Canadian merchants have their customers in the Antipodes remit in Canadian funds instead of New York funds, pointing out there was an extra profit of $7\frac{1}{2}$ per cent in the former, even if the result would be to increase the rate against Canada in the United States.

Remedies for disorders in exchange are proposed in bewildering numbers and kinds. One British journal suggests that England could go some distance toward setting things to rights for herself by selling her churches, Westminster Abbey among them.

Verily, when exchange is topsy-turvy all manner of things get awry.

Canada Moves Against Dumping

THE ANTI-DUMPING idea has taken strong hold on Canada. The Canadian legislation which prevents merchandise being sold in her markets at less prices than in the country of production is well known, and has perhaps been applied most frequently to unsuspecting American firms that sent goods across our northern border.

By way of showing impartiality, Canada has now notified England that Canadian securities are not to be dumped upon the Canadian market either, no matter how profitable the state of exchange may make the operation for British holders. At about the same time, Canada added freight cars to the articles she wants to keep at home. The list already includes wood pulp, of which we stand in dire need at a time when our quadrennial political campaigns are coming on apace. Opportunely enough, Congress is considering sending an American mission to treat with Canada for material for newsprint paper.

The Bad-Business-Year Bugaboo

THEY say that the domestic supply of ouija boards is completely "sold out." But ghosts and their messages are materializing today not only for spiritualists and parlor-dabblers in news from "the other side," but also for politicians and business men, through the hallucinations of well-meaning editors. For example: the specter of that old canard, "The Presidential Election Year is a Bad Business Year!"

The above spook possesses no trustworthy credentials. Caution is all very well, but the barometric charts of business conditions laying bare the records of the past twelve presidential years show that the campaign year is *not* a bad business year. In 1911, Mr. W. S. Mallory, then president of the Edison Portland Cement Company, made a thorough study of the



subject as recorded by the gross earnings of the railroads. Of the ten election periods investigated, from 1872 to 1908 inclusive, only three were "off" years.

These last twelve quadrennial periods have also been investigated in statistical studies, using more than a dozen factors alone or in weighted combinations. Only three years have been shown below normal.

So there's another bugaboo laid. There are excellent reasons why this election year should be a good year, even if there are some arguments worth considering on the other side. Glance at Mr. Douglas' weather map of business in this issue. It will reassure those who have been listening to p. y. spooks on business.

Competing with Argentina's Guitars

LATIN America loves music. The serenading of *senoritas* is one of the recognized pastimes of the country. But the phonograph and player-piano are now running close to the languorous mandolin and guitar.

This is illustrated by the fact that in 1918 the United States sold to the southland musical instruments, records, and perforated rolls to the tune of \$2,630,000 worth. Sales included over four thousand pianos, nearly two thousand player pianos, 369 organs and over seventeen thousand phonographs, graphophones and gramophones.

Any up-to-date plaza, of an evening, can hark to all the latest hits of the Winter Garden!

A Star-Spangled British Product

IT CAME recently to the attention of the American Chamber of Commerce in London that a British firm was using the American flag and words and phrases indicating American origin for the advertising, container and bottle labels of a wholly British preparation. Communication of this fact to the British Board of Trade saw all traditions of departmental red tape shattered when the Board of Trade rang up by telephone instead of following the usual formal tortuous channels of communication.

After obtaining further particulars the firm concerned was called to account and has agreed to refrain from the objectionable practice in future.

A Spring Thaw in Profits

AS a department store our Postoffice Department would have a bad time of it.

When the general manager talks of taking a profit of \$35,188,879 in seven years as toll for exchange of knowledge in a democracy, he would have to reckon with the Bureau of Internal Revenue, the Fair Price Committee, the Department of Justice, the Federal Trade Commission and the Consumers' League. In short order he would rue the day he was born to gather these profits.

Analyzing them, the profiteering arm of the Department of Justice would convict him on his own evidence of "check shaving," of taking advantage of unlettered foreigners through the exploitation of the money order system at current abnormal rates of exchange. And to receive a million and a half in parcel post insurance premiums, pay \$600,000 damages, call the other \$900,000 profits and tell the other policy-holders to look elsewhere for their damages would bring about his ears a dozen governmental agencies, including a Hughes Commission, and a fraud order from the P. O. Department.

But happily he would have an alibi. He could set up a "confession and avoidance." He could point to the recent ruling of the Interstate Commerce Commission ordering him to

pay to the railroads, for transporting the mails, \$100,000,000 wrongfully withheld since 1916, and thus confess that his \$35,000,000 profit was in reality a deficit to date of \$65,000,000.

Of course, this would be a bitter pill since he has made it clear that we should measure the efficiency of the postal administration by the "unbroken line of annual surpluses."

Applying his own logic and his own basis of measurement, it would seem that the Postmaster General had hoisted himself on his own yardstick.

Where Distance Lends Enchantment

MEXICAN CITIZENSHIP certainly has not equal attraction for everybody. According to figures published by the American Chamber of Commerce of Mexico, only one "American" applied for Mexican citizenship over a period of five months, and his name was something like Juan Gomez. There was likewise but one Russian to contemplate an exchange in national allegiance, but there were twenty-one Germans.

Hims of Hate

HAVING made the world more or less safe for democracy, the Allies are amazed to find themselves bombarding each other with harsh and ugly words. Americans are lavish with advice for their late comrades-in-arms across the Atlantic. They are told to direct more of their energies toward work and less to borrowing money from us. Europe retorts that we have grown rich and powerful from the blood money of war. Also our pride is outraged with the charge that we entered the fight after it had been won.

There is an international duet that is doing all it can to aggravate this bitterness. It consists of Mr. William Randolph Hearst, publisher, of New York, and Mr. Horatio Bottomley, editor of *John Bull*, London.

At the slightest move on the part of England, Mr. Hearst gets out his well-worn cuts of the American flag and has a violent anti-British fit in his several papers. Mr. Bottomley is hampered by a smaller field, but he does very well in his way. A recent gem in his columns declared that after we came into the war "the dollars got in the way of the men; the banker's shovel came in handier than the bayonet."

One of our readers, who is obviously of a sporting turn of mind, makes a suggestion that he claims will help the situation. He says:

I shall undertake to sign up Mr. Hearst and Mr. Bottomley for a formal hate contest to be held in some such large hall as Madison Square Garden, or Albert Hall, London. Mr. Hearst would be armed with an American flag and Mr. Bottomley would oppose him with the Union Jack. These flags would be of exactly the same proportions. At a signal from the referee, the two would engage in a flag-waving bout, the decision to be made upon: (1) endurance, (2) originality and grace of motion, (3) expression of antipathy upon features. The loser would be forced to read aloud a three-column editorial written by the victor.

Owing to the severity of the penalty, every care would be taken to guarantee an impartial decision. It is admitted that the Germans, with their passion for detail, have carried hate further than any other nation. Out of fairness to the contestants the judges would be selected from among the Berlin officials whose work it was to promote and encourage hate during the war.

Our reader believes that such an affair would be of the greatest benefit. It would help clear the air of the verbal brick-bats that are now making the transatlantic flight. Afterward, British and Americans might resume trading with nothing on their minds but their business transactions.

The Drive Against "Big Biz"

It is now several months since North Dakota delivered herself into the hands of the much-be-damned and violently defended Non-Partisan League. Just what has been the result?

By JAMES E. BOYLE

Extension Professor of Rural Economy, Cornell University

THE voters of North Dakota in 1918 adopted an amendment to their state constitution which provided that "the state, any county or city may make internal improvements and may engage in any industry, enterprise, or business." Under this authorization, the Non-Partisan League, in complete control of all branches of the state government, in 1919 enacted a program of state socialism based on state credit. The immediate program calls for a state bond issue of \$17,000,000. As to future bond issues, there is no limit.

Many opinions have been published as to the wisdom or unwisdom of this adventure in state socialism. This article sets forth merely the bald facts of the case in order that the reader may form his own opinions.

The League has now put into effect four important economic measures, namely, a State Bank for the deposit of all public moneys and for financing state industries; a Farm Loan Department; a Mill and Elevator Association; and a Home Builders Association.

The entire management of these projects, the hiring and firing of all managers and subordinates, is in the hands of three persons, the Industrial Commission. The membership of this commission is *ex officio*, consisting of the governor, attorney general, and the commissioner of agriculture and labor. Power is largely concentrated in one man's hands by the provision of the law that all regulations of the commission must be approved by the governor in order to be effective. This commission came into power in February, 1919. What has been accomplished in its first year will now be told.

The Case of the State Bonds

STATE bonds bearing 5 per cent interest were issued, and their sale at par to a syndicate of eastern bankers was arranged. It was agreed that the Bank of North Dakota should deposit \$500,000 of the proceeds with the bond houses for ninety days, the deposit to draw 2 per cent interest. The sale of these bonds was interrupted and the carrying out, therefore, of the whole economic program of the state immediately and in full was impeded by law suits in connection with the bond issue to provide the original capital for the bank.

The facts in this connection must be considered with some care in order to avoid confusing the State Bank at Bismarck with the spectacular closing (and reopening) of the Scandinavian American Bank of Fargo. The four steps in the use of state credit are as follows:

State Bank of North Dakota.—A \$2,000,000 bond issue was provided to furnish the capital of this bank. These bonds, like the other issues for the state industries, are tax exempt, are direct obligations of the state, and are payable, in the last resort, both as to principal and interest, out of the proceeds of a direct tax. Sur-

Jail for Liars!

ONE of our comedians made a decided hit not many years ago with a comedy in which he told nothing but the truth. The results were appalling. Our liars took a great deal of comfort from that play—it was a vindication. It made them break out in a virtuous glow. It convinced them that they had rights.

And now along comes North Dakota with a sinister and direct attack against this ancient human failing!

Three state officials turned against the Non-Partisan League. They said things about that powerful organization. The Non-Partisan legislature became duly indignant and, to put its displeasure into action, passed a Liar Law. It provided that any state official who lied about the League could be imprisoned for one year. And there is a "Smelling Committee" to watch for slips!

Other phases of North Dakota's interesting experiment are brought out by Mr. Boyle. He is especially fitted for an unbiased analysis of the League's accomplishments by study that began with the inception of this remarkable organization.—THE EDITOR.

plus earnings, if any, may also be applied to their payment. The constitutional limit of this bond issue is \$2,000,000.

Real Estate Bonds.—A bond issue of \$10,000,000 was provided to finance the Farm Loan Department. Loans are made on farm lands on first mortgage security, up to one-half the value of the land. There is no limit to the amount of real estate bonds which may be issued.

Mill and Elevator Bonds.—A bond issue of \$5,000,000 was provided for financing the purchase or building of flour mills and grain elevators. These bonds are issued against first mortgages on the property in question, up to the full value of the property. The constitutional limit of bonds which may be issued for this purpose is \$10,000,000.

Home Builders Association.—No bond issue was provided to initiate this project. A direct appropriation of \$100,000 was made to carry out the provisions of the Act. The law enumerates five possible sources of income, as follows: State bonds; taxation; deposits; payments for homes; sales of homes by the state. "Special efforts shall be made," says the law, "to secure deposits from children, young people, renters and wage-earners, in order that more people may own their own homes."

There is now pending in the United States Supreme Court a suit to test the validity of the laws providing for the three bond issues named above. The laws were upheld by the Supreme Court of North Dakota (a majority of this court was elected by the League); the laws were likewise sustained by United States District Judge Charles F. Amidon of Fargo (*Scott vs. Frazier*, 258 Fed. Rep. 669).

Pending the decision of this case, the bank is making farm loans out of funds on hand and is holding the \$2,000,000 bond issue as its capital stock.

The bank opened for business July 28, 1919. At the close of business January 15, 1920, the monthly statement of the bank

showed it had deposits of state, county and other public funds amounting to \$13,579,471.70; individual deposits were \$141,855.34. On the resource side, the most important items, in addition to the state bonds, were cash and due from banks, \$12,920,213.33; bills receivable, rediscounts, and public transfers, \$1,311,434.21; farm loans, \$892,199.04.

The Director General of the bank, F. W. Cathro, is ex-president of the North Dakota Bankers' Association and ranks as a conservative country banker. During the crop failure of last fall he adopted the policy of re-depositing public money in local banks in drouth-stricken areas to help finance certain communities.

The primary object of the bank is to finance state industries. Mr. Cathro announces four other lines of activity, namely, finance state institutions over the annual lean periods before taxes are collected; serve as a state clearing house; serve as a reserve bank for the local banks not members of the Federal Reserve system; and finally to supply

the service usually supplied by a Joint Stock Land Bank. These functions are all being performed by existing commercially-evolved institutions, hence the bank's justification must depend upon its doing the same thing in a better or cheaper manner.

And the League Takes Credit

THE main work of the bank thus far has been the furnishing of farm loans. The Federal Farm Loan Act practices are imitated quite closely here, except that the interest rate is a little higher with the State Bank. The president of the Federal Land Bank at St. Paul is a North Dakota country banker and has helped promote the work of the State Bank. It is interesting to note that the statistics of the Federal Farm Loan Act for March 1, 1919, as published by the Federal Farm Loan Board, show that North Dakota stood second only to Texas in the amount of farm loans secured under the federal system, and that the North Dakota loans equaled the combined loans of the other states in the 7th District, namely, Minnesota, Wisconsin, and Michigan. In short, the coming of the federal system into North Dakota lowered interest rates on farm loans. The League claims all the credit for lowering interest rates on farm loans.

The bank announced a net profit of \$47,522.75 for its first six months of operation. The attorney general's office, using the same figures, announced a net loss for the period of \$641.19. This controversy hinges upon the inclusion or exclusion of the interest on the state bonds held by the bank (\$2,000,000 at 5 per cent). By the bank's accounting method, the interest of these bonds was bank-income, although the bonds had never been sold. At any rate, this interest item accounts for the alleged "net profits."

It was a wrangle over the grain trade that paved the way for the advent of the League, and hence it is in this field that one would naturally look for the biggest "reforms." Three important laws on this subject were passed: (1) the one described above providing for \$5,000,000 of state credit; (2) an act creating the North Dakota Mill and Elevator Association (under the Industrial Commission, of course); (3) a State Grain Grading Law. This last is truly a comprehensive measure, centering much power in the hands of one man, namely, the president of the Agricultural College at Fargo, who is a sort of Grand Pooh-Bah.

The Grand Pooh-Bah

NOT only is he made inspector of grades, weights and measures, but he is also given power to establish grades for grain, to hear and determine appeals from local grain inspectors, to investigate all grain dealers and all other "middlemen," to subpoena witnesses, to compel the production of books and papers, to administer oaths, and to punish for contempt. He can issue rules and regulations for the handling of grain and any other agricultural product. He can "establish a reasonable margin to be paid producers of grain by warehouses, elevators and mills." To effectuate this act he is provided with a large corps of deputies, accountants, and inspectors.

Since the Federal Government has established grades for corn, wheat and oats passing into interstate commerce, this North Dakota Inspector of Grades has followed the League be-damned federal standards.

As to the state flour mill—a small flour mill (150 barrels a day) was found for sale at the village of Drake, in the central part of the state. This was purchased. An elderly man was employed as manager of the Mill and Elevator Association. His past record is not one of conspicuous achievement, particularly not in the grain elevator or flour-milling business. After the mill at Drake had been in operation one month, public announcement was made of very substantial "net profits." These announcements have been made periodically since then; also the interesting claims that the mill has paid the farmers more for grain than other mills were paying and at the same time sold the flour for less.

The six months of operation of this small plant are obviously too brief a period on which to base any important conclusions. The period covered thus far is one of stabilized wheat prices. The institution must successfully meet a period of falling prices before it is on a commercial basis. The League now is planning to locate a terminal elevator and a

flour mill at the city of Grand Forks, although the bonds for that purpose have not yet been sold. The business men of Grand Forks have pledged themselves to purchase a block of these bonds, in order to secure the mill and elevator. Up to the present, however, they have not been able to absorb the amount stipulated.

The state committed itself to the policy of providing homes for residents and for making loans through its Home Building Association to home-builders or home-buyers: \$5,000 is loaned on a city home; \$10,000 is loaned on a farm home. There is but little "red tape" in securing loans under this act. "Any person," says the law, "may open a home-buying account with the Association by applying in person, by mail, or through a Home Buyers' League, a trade union, a woman's club or any other recognized industrial, social or civic body." The borrower must deposit 20 per cent of his loan in cash. The loan is amortized by monthly payments, running from ten to twenty years. The first home built under this Act was a "city home" in Bismarck, costing \$5,000.

Considerable flexibility is given to the administration of this law by the provision that "In case of any accident, crop failure or other event, which reduces the buyer's reasonable income by one-half, all payments under such contract may in the discretion of the Industrial Commission be extended from time to time for a period of one year." The management of the Home Builders' Association has been put in the hands of a prominent single taxpayer of the state who brings to the task not only enthusiasm but considerable experience in the real estate business.

The truth about the Scandinavian American Bank Case is this: The bank is not owned or operated by the League, but is interested in financing some of the League's major and minor activities. This bank was closed October 2, 1919, after being declared insolvent by the Banking Board, by a vote of 2 to 1. This board consists of the Governor, who is still a League supporter, and of the Attorney General and the Secretary of State, men elected by the League in 1918 but now vigorously fighting it.

This bank had a capital of \$50,000 and a surplus of \$10,000. Under the North Dakota law a bank may not loan over 15 per cent of its capital and surplus to any one individual or corporation. The Banking Board charged excess loans of \$734,104.82 made to the Non-Partisan League and to its subordinate organizations, such as the Consumers' United Stores Co. (\$170,000); the League Exchange (\$66,182.28); the Publishers National Service Bureau (\$47,950.06); the National Non-

Partisan League (\$148,824.26). The collateral for these loans consisted largely of farmers' post-dated checks—the usual League method of collecting the membership fees. (Membership fees were \$6 in 1915, \$9 in 1916, \$16 for two years in 1917, and are now \$18 for two years. The League claims 40,000 members in North Dakota and 60,000 in Minnesota.) The Banking Board caused the arrest of the president and the cashier of the bank, charging them with exhibiting to the Bank Examiner false statements. The trial of this case is not yet concluded.

The Scandinavian American Bank was reopened October 25, 1919. This reopening followed certain hearings on an injunction, before the State Supreme Court, in which the decision was reached (by a vote of 3 to 2) that the bank was solvent. The three majority judges were men elected by the League.

The bank had, like a good many other banks of the state, violated the law limiting loans to 15 per cent. But violating this law does not constitute insolvency. Under the North Dakota law (ch. 53, laws of 1915) insolvency seems to be limited to three things, namely: (1) value of its assets insufficient to pay its liabilities; (2) inability to meet demand of creditors in the usual and customary manner; (3) failure to comply with lawful orders of the State Banking Board. The bank satisfied the court that it could meet these three tests.

Orators into the Breach

THIS bank case was turned to advantage by the League. A mass meeting of 7,000 farmers was called at Fargo, and here the League's ablest orators, including the League's president himself, regaled the farmers all day and far into the night with stories of the attempted "bank wrecking" by "Big Biz" and "League traitors," and how the farmers must fight back and save their bank. The clever trick worked—as it had worked before when the League's president went into bankruptcy. Farmers crowded the bank till far past midnight, to deposit money and to subscribe for stock. Hence the bank today seems to be stronger than it ever was before.

Subsidiary to the League a chain store corporation was formed, in which farmers bought "memberships" at \$100 each, lapsing in ten years. Complete ownership and control of all assets was vested in the small group owning the stock. Thirty-five stores were established; 11,000 memberships were sold at \$1,100,000. Under the contract signed by the farmer, the League was obligated to invest \$10,000 in each store and had the privilege of using the balance of the funds for "educational" purposes. So, in the above case, \$350,000 of the memberships were pledged to store uses, and



the balance, \$750,000, was available for "educational" uses. This program proved a failure, and these stores are now in process of being made cooperative stores owned by the farmers who paid for them.

A graduated income tax law was enacted; also a law for the classification of property for taxation purposes. Lands are to be assessed at 100 per cent of their value; homes upon town and city lots at 50 per cent; all homes, structures and improvements upon agricultural lands are tax exempt.

Methods are important, especially when applied to new programs. The League's methods are noteworthy, considering the three slogans with which it fought its enemies, namely, "The Old Gang," "The Kept Press," and "Big Biz." Autocratic power is now frankly centered in the hands of one man instead of in the "old gang." The League now has its own "Kept Press"—2 dailies and 54 weeklies. Fifty-two of these weeklies are designated by the League as "official county papers," and hence derive an income of some \$10,000 or \$15,000 apiece from the public funds. Hence the creation of public opinion, the education of the voter, is largely in the League's own hands.

The financial program of the League indicates that it wants to become "Big Biz" itself. During its first year \$40,000 was spent for automobiles, to be used in the membership canvass; and \$60,000 was borrowed from a Valley City bank, which resulted in the first bank scandal the League encountered. The League's tremendous use of funds now is the one outstanding thing which differentiates it from the other political parties.

In North Dakota alone, some \$2,000,000 in membership dues have been received, and another million dollars from the Consumers United Stores venture. Dues received from other states would run the League's total income well up towards \$10,000,000, and thus far, no firm of certified public accountants has ever made an audit of the League. True, the League claims it has been "audited"—by a group of its friends.

Among the three most significant laws enacted by the League at the last session of the legislature are the following: (1) Australian Ballot Law—providing that the farmer can stay home from the polls and have someone come to his house and help mark his ballot. The League's method of having one paid manager over each county gives to this law great possibilities. (2) Liar Law. This act frankly aims at three state officials, elected by the League, but who turned against the League. The act provides, in substance, that any state official who lies about the League program of state socialism can be imprisoned for one year. (3) Smelling Committee. This act supplements the above by providing for a legislative committee of five, to investigate, of their own motion, any state official, his papers or his speeches, to determine whether he is subject to the "Liar Law."

As a competitor of "Big Business" the League has yet to demonstrate its capacity. The program has now reached the pocket-book nerve of the farmer through increased taxes, and many are deserting. But the tremendous and unparalleled "educational" propaganda of the League is holding most of them in line.

Thrift and Daylight

By ERNEST R. ACKERMAN

Representative in Congress from New Jersey

IF IT were so that all of the urban population were located in one geographical district and all of the farming population in another, it would be a very simple matter to work out an arrangement whereby the cities could have daylight saving, which they so much desire, and the country could have the old time, which it refuses to give up. But such, you will say, is not the case.

The Eastern time-belt line, starting at the lakes, runs a fairly straight course down the mountain region to Florida. It leaves within the Eastern zone the great manufacturing cities of the Atlantic states and includes an estimated population of forty-three million

persons. The percentage of urban population within this belt is larger than for any other part of the United States. The great farming centers are in the three-time zones west of this belt.

What I think is the best solution of the whole question is for Congress to enact a daylight saving law for the Eastern time zone, leaving the three other belts to get along with the old time. This would inconvenience the smallest number of farmers and would bring a great boon to the greatest number of city people. Provision for just this arrangement is made in a bill I have introduced in the House of Representatives.

Action taken and that contemplated by various states and cities in the East promises the greatest amount of confusion in time this summer. The New Jersey Assembly early this month passed a State Daylight Saving measure, and it is quite unlikely that the State of New York will repeal the law now on its statute books. The Pennsylvania Railroad, for instance, will run on daylight saving time, making connection with other roads which use the old time. Fancy the difficulty of making trains and keeping appointments when you are leaving one city on the new time, arriving at another on the old time and making a railroad connection perhaps on either time.

The advantage of daylight saving to people who live in cities is so obvious and well known that it seems hardly worth while pointing them out, but some interesting figures have been given out on savings. Not less than 10 per cent was saved last summer on gas and electric light bills during the daylight saving period, as well as one million tons of coal. Our home garden growers were enabled to raise a far greater amount of foodstuffs because of the extra hour, and as for the value of recreation afforded it cannot be measured.

I earnestly hope that Congress will enact this bill as a means of at least affording a compromise as between those advocating and those opposed to daylight saving.

White Coal for Black

In the St. Lawrence River, where it separates Canada from the United States, limitless energy is flowing uselessly past the very threshold of our eastern industrial centers

By ALEXANDER T. VOGELSANG

Acting Secretary of the Interior

MORE than a million men in the United States are now engaged in producing mineral fuels, the consumption of which exhausts the stores of nature. But nature has provided man with still another infinitely potential source of industrial power—"white coal," as it is called—the exhaustless fuel energy latent in falling water, and that stretch of the St. Lawrence River lying as a boundary between the United States and Canada is its still untapped reservoir.

The use of water power lowers transportation costs. Where the cost of power is a large item in the value of a product, water power can control the location of many industries. And there is a growing tendency in this country to redistribute such industries as require large

IN THE article that follows this, Mr. Barnes tells what it would mean to the hard-pressed transportation system of the country if the St. Lawrence could be opened so that ships could get into the Great Lakes from the ocean. Here Mr. Vogelsang gives the water-power phase of the same project. The two go together. It is estimated that enough water power would be developed to warrant the investment of \$250,000,000, more than the improvement would cost.

There is just so much coal. When it is gone, it is gone. Water power is different. It never gives out. Anyone who has been a victim of the whims of coal can appreciate this advantage.—THE EDITOR.

amounts of power around locations where water power is abundant and cheap.

Water power available on the St. Lawrence,

assuming (and the assumption is modest) that 590,000 kilowatts of water power would replace the same amount of steam power, would also release about 7,900 men for work in other fields, owing to the saving in man power by using water power instead of steam. It is now three years since Congress was urged to authorize a study of the power possibilities of the congested industrial part of the Atlantic seaboard. Not only has the fact been disclosed that a great saving in power can be effected and a much larger actual use of the power now produced be gained, but that new supplies can be obtained both from running water and from the conversion of coal into power at the mines instead of after a long haul. This

STRAIGHT LINE METHODS

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STRAIGHT LINE METHODS

has aroused discussion as to the feasibility of constructing a super-transmission line of electric power paralleling the Atlantic from Richmond to Boston and affording connections at New York and Boston with the vast water-power resources of the St. Lawrence on the north and Niagara on the west, a main transmission line into which would run many minor feeding streams of power and from which would diverge an infinite number of small delivering lines tying together the separated power plants of ten states.

Thus one state could give aid to the other; one could take the place of the other; all could join their power for good in any great drive that might be projected. It would not be necessary for the Government to construct or even operate such a trunk line, but the project might so attract the attention of the engineering and financial world as to make it a reality. Such a system of transmission lines would take from the coal mine and the railroads much of their burden and insure the operation of street lights, street cars, and essential industries in the face of railroad delinquencies.

Thrice Niagara's Power

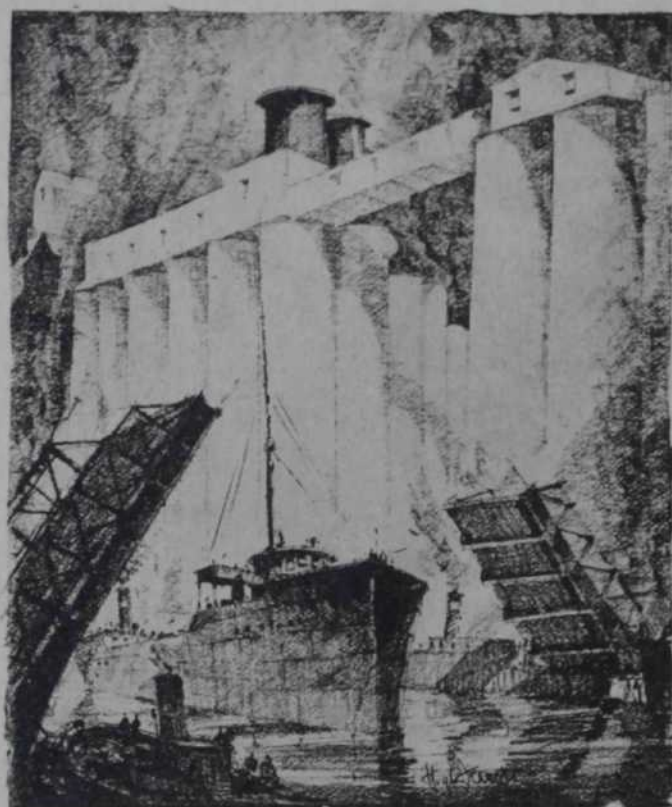
IN the international section of the St. Lawrence, that part constituting the boundary between the United States and Canada, three times the water power developed at Niagara lies idle and unharnessed, while industries are scrambling for fuel, railroads struggling with heavy shipments, old resources rapidly being depleted. This water power of the St. Lawrence, once set to work, would furnish sufficient energy to supply a large part of the power now generated by fuel in the northeastern part of the dominant industrial district of the United States. The demand, indeed, would undoubtedly consume all that portion of the St. Lawrence power that belongs to the United States and all of that portion of Canada's share for which there was no demand in that country. The power-production would, further, pay the entire cost of all the work. And our northern neighbor proposes to go into the enterprise on a fifty-fifty basis in spite of the fact that the present advantage is enormously in our favor.

All public utilities within 250 miles of the St. Lawrence could be served by it and enough left over to make the St. Lawrence Valley itself a hive of industry, with extra power for transmission through Central New York, perhaps New England, possibly the Metropolitan district. If Congress authorizes Secretary Lane's plan for a power survey of the North Atlantic industrial region, the availability of this water power should certainly receive the most careful consideration.

Hand in hand with the utilizing of this great virgin source of industrial energy that the St. Lawrence affords goes the important question of constructing an international deep-water canal from the Great Lakes to the sea. The route of this canal has been projected as from Lake Erie via the Welland Canal, Lake Ontario and the St. Lawrence. The proposed waterway would accommodate ocean-borne vessels. The advocates of this enterprise are chiefly resident far west of the

St. Lawrence River, and the power feature of the work is only of incidental or general interest to them in their promotion of the navigation project, but to the State of New York and portions of New England it is a matter of extreme importance.

About 55 per cent of the world's coal supply is in the United States. England's primacy in commerce heretofore has been due



Grain elevators on the Great Lakes. In addition to limitless power, the St. Lawrence could be improved so that ocean steamers could load wheat and other cargoes inland. In connection with the canal Mr. Barnes writes: "I am convinced that this is the biggest transportation possibility available."

to her coal exports. Prior to the war we ourselves sold abroad only some 4,500,000 of our annual production of 700,000,000 tons. Today England is even asking us for coal. Continental Europe is freezing. We must also henceforth largely supply the South American market. Clearing the St. Lawrence waterway to navigation would release for export millions of tons of coal from the central fields and thus stabilize labor and mining conditions. The railroads, indeed, should be relieved as much as possible of the carriage of coal. It is the largest single item of railroad freight. Where would our iron industry be today without cheap water transportation enjoyed by four-fifths of our total iron-ore production tributary to the Great Lakes. Obstructions to navigation are obstructions to progress and obstructions to production.

Incidentally we may also indulge a vision (not so improbable of realization) of this great coal-producing nation one day operating mills, mines, and railroads by electric power, and shipping a vast mass of her coal production by water route almost from mine to foreign market.

As to objections of a military or political nature to the proposed project of an international deep-water canal from the Great Lakes to the sea, they seem to me fundamentally insubstantial.

But the question of such a canal is, after all, bound up in proof of the possibilities of the St. Lawrence as a source of power supply. A few figures can demonstrate this proof.

From Tibbets Point, at the foot of Lake Ontario, to deep water at the level of Lake St. Francis and St. Regis, N. Y., the St. Lawrence flows about 113 miles along the international boundary and has a fall at low water of about 92 feet average. The immense amount of water flowing in the river may be understood when it is learned that the mean annual flow at its head is on record as 241,000 second-feet. The flow is remarkably uniform, as compared with the Ohio and Mississippi. Theoretically, the amount of power per foot of fall is 27,360 horse-power. A total fall of 92 feet would therefore make the theoretical power of the section about 2,520,000 horsepower. If only 70 per cent of this energy, say, can be made available, the stretch of the river owned equally by the United States and Canada could furnish 1,764,000 horse-power, or 882,000 horse-power to each.

Now the theoretical hydroelectric power, or "white coal," available in the United States has been estimated by the Geological Survey as 54,000,000 continuous horsepower out of a maximum, given by Steinmetz, of 320,000,000 horsepower. Of this available 54,000,000 the boundary waters under discussion can produce nearly 2,000,000 horsepower, half of which belongs to us.

Seventy per cent of our water power is west of the Mississippi, but over 70 per cent of stationary prime-movers horsepower is east of that river. Thus it is seen that the east is rapidly consuming the expendable resources of power, and that if she continues asleep to her water-power possibilities she may soon see the transfer of many of her great industries to

the enterprising and ever-alert west. And the demand for power for the use of industrial and public utilities in New England and New York is increasing. Winter conditions like those of 1917-1918 would again cause, and to a greater degree, the same difficulty that then occurred in supplying coal to the country's essential industries.

Stretching Our Coal Supply

THE utilization of St. Lawrence water power in public service to replace coal now consumed in the large manufacturing centers of New York and New England has an important bearing on the extension of the life of our coal deposits. On the basis of 3 pounds of coal per kilowatt-hour, St. Lawrence River power is the equivalent of 7,750,000 tons of coal annually. This is about 1.3 per cent of the total production of bituminous coal in the United States in 1918. The amount of coal consumed per year by public utility plants in New England and New York is only about 7,000,000 tons.

If the development were so made that a certain amount of regulation of stream flow by storage in Lake Ontario were possible, and if load conditions were adapted to the full utilization of all the power produced, the share of the United States in the St. Lawrence River power would be about 425,000,000

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kilowatt-hours per month. The amount of power produced from fuels in public utility plants during the month of February, 1919, in New England and New York State was about 460,000,000 kilowatt-hours. The amount of power so produced from fuels during that month in the central New York region, from Albany to Buffalo, was only about 30,000,000 kilowatt-hours, so that if any considerable portion of the St. Lawrence River power were to be marketed for use by public utilities it would involve transmission to the Metropolitan district of New York, a

distance of 350 miles. Much of New England is within a transmission distance of 250 miles.

Transmission of the necessary quantities of power for these distances is not unattainable at the present stage of high-tension operation. There would certainly be an ample market for all the power that can be developed on the St. Lawrence. Furthermore it seems readily perceptible that, of all the states bordering or tributary to this waterway, the greatest beneficiary of the development would be the great empire state of New York. The letting loose of this flood of power over her territory would cause her

to leap to the front as a manufacturing state, and her products so stimulated by cheap power to find markets in all the countries of the world.

The power possibilities of the St. Lawrence have therefore been shown to be of large economic importance. Any plans for developing the river for navigation should make provision for the maximum development of the energy that it will afford. This provision can be made only by working out a comprehensive plan in which both Canada and the United States seek the best engineering and economic solution of the problem.

Nature's Highway to the Sea

The Great Lakes and the St. Lawrence lies an undeveloped roadway that could lead sea ships and their significance into the very heart of the Middle West

By JULIUS H. BARNES

United States Wheat Director

their govern-
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again made for the next crop by the accumulation of cars on western lines. For instance, the Great Northern Railroad has been as low as 50 per cent of its car ownership at one time. Treating the western lines—namely, those ending at the Mississippi River and

Great Lake ports—as a whole, the general

condition disclosed is that during practically

all of the business year their car

ownership is to 90 per cent of their car owner-

ship. At the same time the trunk lines lead-

ing to the general condition of 110 per

cent and even higher of car

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year, under the direction of the International Joint Commission, the detailed engineering reports should be available on which Congress can be asked to act. There are no insuperable difficulties and no great delay to be faced if public comprehension of the immense utility of this plan endorses the project, as it will with understanding.

Research in Alloys

THE Alloys Research Association which the National Research Council, in co-operation with an Advisory Committee on Alloys Research, composed of leading specialists in alloys, both ferrous and non-ferrous, has planned and is about to organize, has put forth a tentative plan showing its purpose to be the solution of many still extant manufacturing problems and investigation of the merits of new inventions and improvements in processes and materials. It will cooperate in the development of standard methods of analyses and tests and in establishing specifications; it will guarantee that the products of its members conform to such specifications. The Association will take out patents on its work. Specialists in the alloy field, manufacturers, engineers and users, are invited to join the organization. The Association encourages and invites persons engaging in the study of alloys, its laboratories, its publications, its school. It will cooperate with organizations in the solution of problems of general interest, such as the economical utilization of fuel, the use of refractories, the health of the community, the abatement of smoke or fume, etc. Each individual member of the Association must pay \$1,000 annually for a period of five years, while an institutional member will be assessed a larger sum, depending on the extent of its membership and the importance of alloys to it.

The members of the Association shall be principally those who consider alloys raw materials in their manufacturing processes, but it shall also include those who produce alloys primarily for sale in the raw material state.

Each member shall have one vote for each \$1,000 subscribed annually.



The way it looked
November 4, 1917



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The November winds from Lake Erie blew over a desolate waste. The first heat of steel was poured in the open hearth plant May 17th, 1918—less than seven months later. The plant, with all the necessary equipment, stood completed and in operation July 1, 1918—despite an unusually severe winter and adverse conditions in the transportation and labor fields.

We take pride in this as in other examples of Day & Zimmermann service and this is but one phase of our continent-covering activities. We are able to carry out large undertakings without disruption of, or interference with, any part of our organization; so that the same degree of service is available on every job.

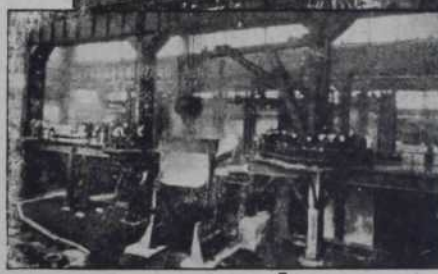
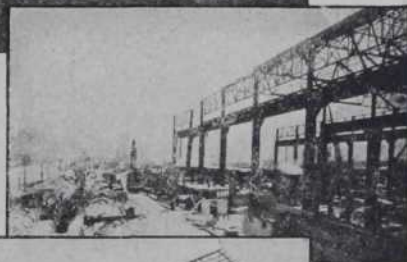
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Denmark and Industrial Control

A highly interesting legislative program is planned which places everybody under a National Business Council that would fix prices, regulate profits and see that labor had a voice in management

DENMARK believes in the public controlling, but expertly controlling, all enterprise that affects it. To this end a legislative program has been proposed, the main feature of which would be to put all industry under the direction of a National Business Council. This council would work toward three principal objectives: First, the fixing of prices on the basis of fairness to capital, labor and consumer; second, participation of labor in the direction and management of industry; third, regulation and restriction of profits.

The composition of the Business Council is outlined as follows: sixteen members would constitute it, four to be appointed by the Rigsdag, eleven by the Minister of the Interior, the chairman to be named by the government. Four of the eleven members chosen by the Minister of the Interior are to be of his own selection; of the seven others three must be appointed from nominations by the Federation of Trades Unions and one each from nominations by the Industrial Council, the Employers' Association, the Joint Committee of Danish Merchants and the Federation of Profit-sharing Corporations. Each member of the Business Council is to have a deputy chosen in the same manner as himself.

The function of the Business Council will be to watch over industry for the purpose of making recommendations to the Minister of the Interior concerning measures for the promotion of business, and to prevent individual concerns making undue profits or operating in any manner detrimental to the social welfare.

If any concern is believed to be operating on too large a profit, or suspected of activities against the interests of the community, the Business Council may take it under direct supervision. Such firms will be obliged to submit their annual accounts to the council and give the council any other information required, to ascertain the exact status of the industry, including conditions relative to production and sale of the commodity being marketed. But no firm may be required to divulge secret processes of a technical nature. Refusal to give any other relevant information upon demand of the council is punishable by a fine ranging as high as \$268 a day. In enforcing its decisions, the council may make use of the services of state and municipal authorities.

The law provides that if a firm is found to be making an unreasonable margin of profit, whether this appear in dividends, increased capitalization or any other form, the council may recommend to the Minister of the Interior a price at which the commodity made by the firm should be sold. When prices have been fixed the proposed law would make it illegal to charge higher prices for it, and each offense would be punishable by a fine at least ten times as great as the amount of the extra profit realized from the exorbitant charge.

Upon recommendation a limit also may be fixed for the annual surplus earnings of any industrial enterprise. If the accounts show

an amount above this limit, the excess sum may be appropriated to the public exchequer or devoted by the firm to the reduction of prices for the following fiscal year. Information received by the council in reaching decisions is to be open to the public.

The second law in the program would give employees a part in the direction of all business enterprises employing five or more workmen. This covers specifically enterprises classed among "industries and crafts," but provides that organizations of other kinds also may be included upon request.

It proposes that details of this participation shall be a matter of agreement between the Danish Employers' Association and the Federation of Trade Unions of Denmark; but that such agreement shall assure the employees the right of participation in the control of the observance of work agreements and of decisions relating to workmen's safety legislation; in the employment and discharge of workmen and their nearest foremen, and in the preparation of the annual income reports.

It further is provided that this participa-

tion shall be exercised by means of separate control committees for each enterprise, these committees to be chosen so that half of their personnel shall consist of employees and the other half of the heads of trades unions represented in the industry. Those chosen from the active employees shall be selected from the men who have been longest in the employment of the company. Each concern is to have as many committees as it has separate business or independent departments. All misunderstandings, either as to the agreements or their interpretation and application, must be referred to the Business Council, whose decision is binding.

Regulation of profits is provided for in the third measure proposed. This law would make all profits illegal except one profit for the manufacturer or importer, one for the wholesaler, and one for the retailer. It also provides that goods shall be so marked that the customer may ascertain the name of the producer if of domestic make, or of the importer if of foreign manufacture. The factory or import price must be marked upon each article.

The Unwritten Romance

IN a paper originally read before the Royal Institution of London and now printed as the first in a volume entitled "Studies in Literature," Sir Arthur Quiller-Couch, Professor of English Literature in the University of Cambridge—and widely known to all lovers of literature as novelist, poet, and anthologist—has some delightfully quizzical, yet basically important things to say about the relation of commerce to literature and to man's thought. The paper in question is called, quaintly, "The Commerce of Thought." We quote the following passages for the pleasure of our readers:

"Among the fascinating books that have never been written (and they are still the most fascinating of all) I think my favourite is Professor So-and-So's 'History of Trade Routes from the Earliest Times,' a magnificent treatise, incomplete in three volumes. The title may not allure you; possibly you suspect it of promising as much dullness as the title of this lecture, and it is even conceivable that you secretly extend your mistrust to professors as a class. Well, concerning us, as men, you may be right: the accusation has been levelled; but I shall try to persuade you that you are mistaken about this book.

"For a few examples—Who, hearing that British oysters, from Richborough, were served at Roman dinner-parties under the Empire, does not want to know how that long journey was contrived for them and how they were kept alive on the road? Or take the secret of the famous purple that was used to dye the Emperor's robe. As Browning asked, 'Who fished the murex up?' How did it reach the dyeing-vat? What was the process? Was the trade a monopoly? Again you remember that navy of Tarshish, which

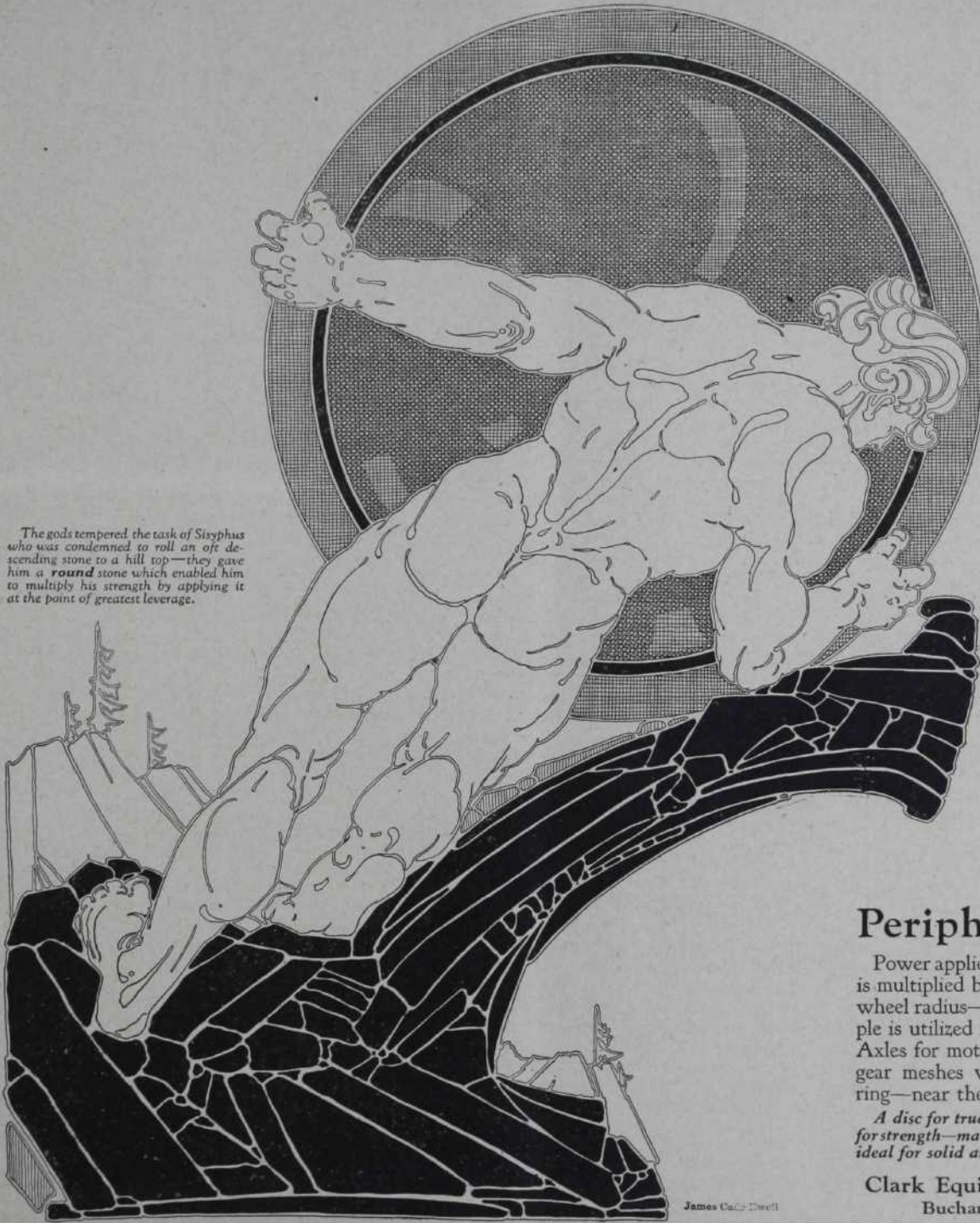
came once in three years bringing Solomon gold and silver, ivory and apes and peacocks. Who would not wish to read one of its bills of lading, to construct a picture of the quays as the vessels freighted or discharged their cargo? As who would not eagerly read a description of that lumberer's camp on Lebanon to which Solomon sent ten thousand men a month by courses: 'a month they were in Lebanon and two months at home, and Adoniram was over the levy?' The conditions, you see, must have been hard, as the *corvée* was enormous. What truth, if any, underlies the legend that when Solomon died they embalmed and robbed him and stood the corpse high on the unfinished wall that, under their great taskmaster's eye, the workmen should work and not 'slack' (as we say)? What a clerk-of-the-works!"

Again:

"We are used to think of Marathon as a great victory won by a small, enlightened Greek race over dense hordes of the obscurantist East; of Thermopylae as a pass held by the free mind of man against its would-be enslavers. But Herodotus does not see it so. Herodotus handles the whole quarrel as started and balanced on a trade dispute. . . . Always at the root of the story, as Herodotus tells it, we find commerce. . . . It is open to us, of course, to believe that Troy was besieged for ten years for the sake of a woman. . . . But if you ask me, do I believe that the Trojan War happened so, I am constrained to answer that I do not; I suspect there was money in it somewhere. . . .

"Money? Yes; but let your imagination play on these old trade-routes, and you will enhance your hold on the true springs of history."

The gods tempered the task of Sisyphus who was condemned to roll an oft descending stone to a hill top—they gave him a **round** stone which enabled him to multiply his strength by applying it at the point of greatest leverage.



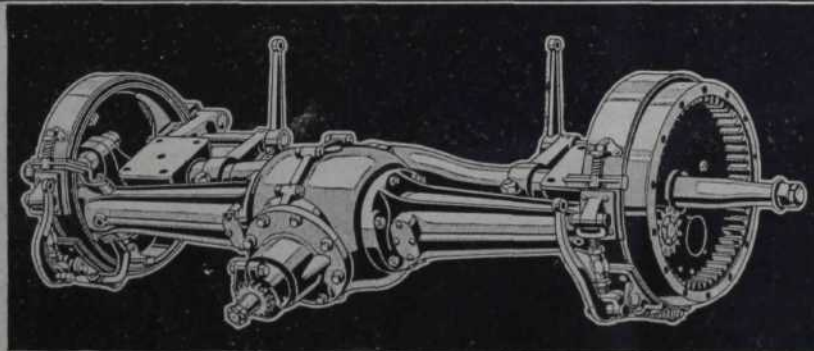
James C. C. Dorell

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Power applied at the rim of a wheel is multiplied by the leverage of the wheel radius—this important principle is utilized in the design of Clark Axles for motor trucks. The spur gear meshes with an internal gear ring—near the periphery.

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Clark Equipment Company
Buchanan, Michigan



Write for informative literature



CLARK INTERNAL GEAR DRIVE MOTOR TRUCK AXLES

This King Has Kept His Throne

H. R. H. Cotton retains his scepter, though he has mixed calamity with his blessings. Now a world short of food and clothing looks to him for help in meeting both needs

By CLARENCE OUSLEY

Former Assistant Secretary of Agriculture



COTTON is a theme that lends itself as obligingly to the poet as to the economist. Henry Grady spoke a rhapsody about it; the composers of old plantation melodies have woven it into appealing verse; its fascinated growers have invested it, by the title King Cotton, with royal dignity; the historians have laid upon it responsibility for the maintenance of slavery in the south beyond the time of world abandonment of the practice, and the legalist could indict it for causing the War of Secession.

It so lays hold upon the imagination and so fixes the habit of producers, speculators and manufacturers that I sometimes wonder whether it is a plant or a mental disease.

But it is our great American staple of export, the principal factor in the settlement of our foreign trade balances; it employs millions of our people in production and manufacture; it is our surest crop, for it will yield something under the poorest cultivation and the most unfavorable weather and against the most persistent pests; it is tonnage for our new merchant marine; it is the world's cheapest and best clothing and household "linen"; it is food, as well as raiment, for its by-product of cottonseed oil is made into cheap and wholesome butter and lard, and cottonseed cake or meal is concentrated protein for dairy cattle, bees and hogs.

Few people know it, but cottonseed meal refined makes bread as rich in nourishment as wheat and beefsteak combined. If need be, the Cotton Belt farmer can feed and clothe his family without stepping foot from his plantation more easily and economically than the Corn Belt farmer.

Historically and economically, cotton has been both a blessing and a curse to the South. It was the means of credit in the days of destitution following the war between the states,



and then it put its white cultivators into crop-mortgage bondage. But it finally paid the mortgages, though at a frightful cost of economic agri-

culture and of rural comfort, and the South at last seems to have learned the better way of diversification. At least, the South practiced diversification—fed itself—during the late war, with benefit to the nation and with profit to itself in the higher pound price—indeed, in the greater annual gross return—for five short crops. It remains to be seen whether present prices will revive the old habit of all-cotton and produce a crop larger than the world has the money to buy at profitable prices.

It should be remembered that when the World War broke cotton was selling at about 12½ cents a pound. It came down with a crash because of the upset in shipping, and the price was further depressed by the weight of the 1914 crop, which proved to be in excess of 16,000,000 bales, the largest American crop ever made. The production of that year brought the farmer but little more than 7 cents a pound, which was far below cost. Only the most careful financing, with a sharp reduction in acreage the next year so as to absorb some of the surplus, saved the South from a great commercial disaster.

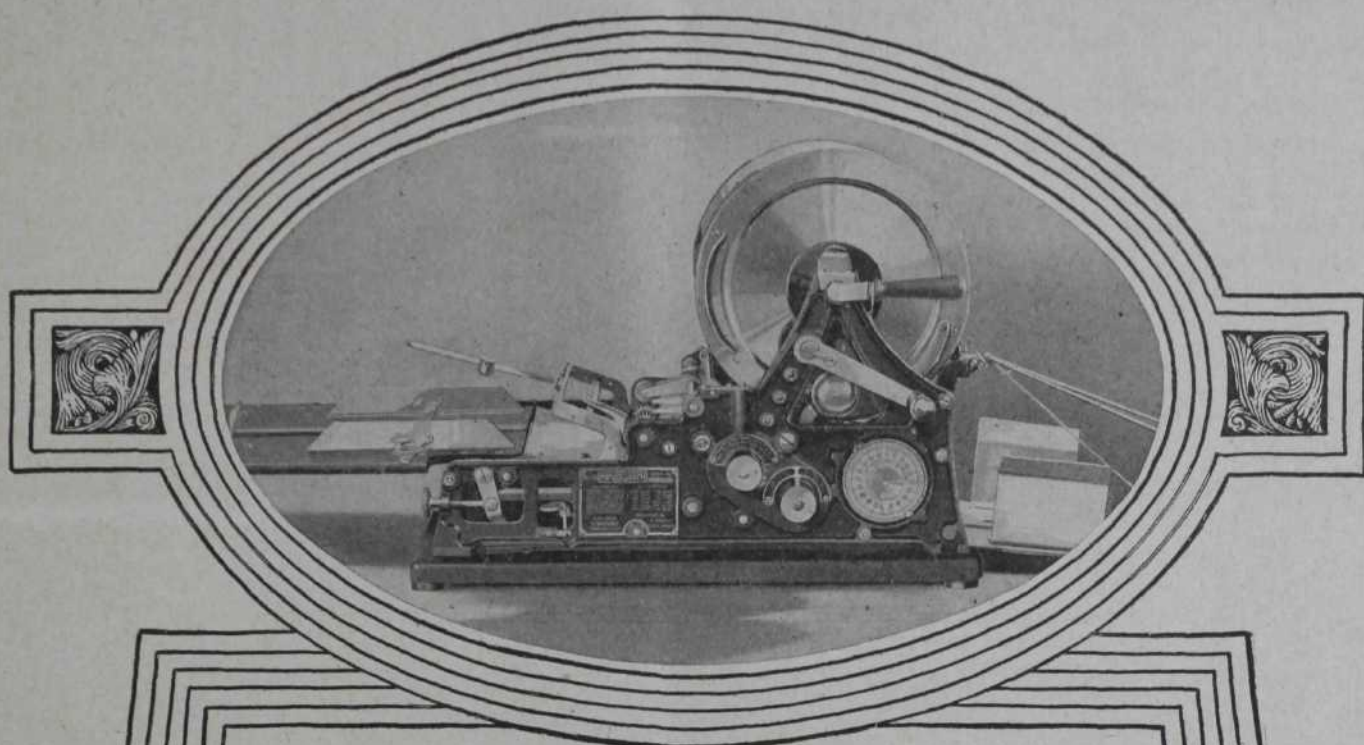
Circumstances combined to keep down production through 1919, and prices steadily improved. With five short crops and with the

Cotton hauled from the farm to the railroad where it waits shipment to the farthest corners of the earth. You can't blame the southern farmer for sticking to his cotton crop. He is sure to produce something, and his bales can be instantly cashed. The value of cotton products last year was about two and a half billions.

world's stocks of dry goods depleted by the war, demand has been such that prices are now around 40 cents a pound. During the last few weeks there has been a slowing down of exports because of Europe's decreased buying power and the disparity in foreign exchanges. On account of this situation, which financiers and statesmen agree is not easily or quickly to be remedied, it behooves growers and spinners to give careful consideration to the practical demands of the market, and especially to the problem of supplying American dry goods to peoples who in times past purchased chiefly of European manufacturers.

American consumption (manufacture) of cotton increased from 3,873,165 bales in 1900 to more than 6,000,000 bales during the war. Our highest figure was 6,788,505 in 1917. We dropped back to 5,766,936 in 1919 because of the slackened demand for war supplies, and while we have made a substantial gain from the last pre-war year to the first post-war year, we have manufacturing capacity for a full million bales more than we are now manufacturing, and, as will be shown, European manufactures are far below the pre-war normal.

Exports in 1913 were 8,800,966 bales; in 1919 they were 5,525,000, and they were less than that for the four years intervening. They are larger by more than a million bales at this time of this cotton year (ending with July) than they were at this time of the last cotton year, but on account of the slowing down due to the international financial situ-



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ation the present rate of increase may not be maintained.

English manufactures a full year after the armistice were only 60 per cent of the pre-war normal. The percentage is much lower in continental Europe, but unless there is a further collapse of European credit our exports should increase from year to year, as they have increased during the last few months. It would seem to ordinary observation under historical perspective that Europe's industrial and financial condition cannot grow worse but gradually will grow better.

Before the war Germany and Austria took approximately 3,000,000 bales a year. From 1915 to 1918 inclusive they took none; they will not reach pre-war normal for several years, but their takings will gradually increase. Japan's takings have grown from 353,440 in 1914 to 809,313 in 1919. Japan is expanding rapidly in cotton manufactures, as in other industries, and is selling her goods in eastern territory heretofore controlled by England.

Our normal pre-war exports may be roughly reckoned at 8,000,000 to 10,000,000 bales a year. They dropped during the war until they reached the minimum of 4,461,000 bales. Perhaps it will be five years—possibly longer—before they get back to the pre-war normal, and during this period American manufacturers have their opportunity.

In 1913 I heard Sir Charles Macara, president of the Master Cotton Spinners Federation, say that there were 750,000,000 people in the world half clad and 250,000,000 not clad at all. The war put more in rags. It would seem difficult under present European industrial conditions to furnish more dry goods than the world needs. The limit is the ability to buy. That really is a serious question.

With the European world impoverished prices are an important factor in consumption. Our 9,521,000 bales of exports in 1914 brought us \$610,000,000; our 5,525,000 bales in 1919 brought us \$873,000,000. But outside of Europe there is comparative prosperity in stead of poverty. With England manufacturing a third less than normal, with Germany manufacturing none for export, Japan is making serious inroads upon Europe's cotton goods trade in Asia, and it would seem to behoove American manufacturers to look to the South American field. There is no need to be afraid of a lack of supply of raw cotton.

Our Gain in Spindles

OUR increase of active spindles for the five years following the outbreak of the European war was not so great as for the five years preceding. In the first five-year period we increased from 28,018,350 to 32,107,572; in the second period from 32,107,572 to 34,931,000. Foreign spindles increased during the last five years from 112,198,386 to 113,232,149, so that our gain was much the greater. Of course it was difficult to get new machinery during the war, and until the last year or so there was more or less uncertainty as to Europe's final condition and ultimate recovery. It is still difficult, on account of prevailing industrial conditions, to obtain new spindles, though we can obtain them more easily than foreigners can, but there would seem to be no reason why capital should hesitate to venture into the cotton industry. The Federal Bureau of Markets records an advance of 50 per cent in the price of raw cotton from February, 1919, to February, 1920, and in the same period an advance of 80 to 100 per cent in the price of

staple dry goods. There is not a well-equipped and well-managed cotton mill that is not highly prosperous; there is need for cotton goods, and there is no danger of a failing supply of raw material.

From 16,134,930 bales in 1914, American production dropped during the European war (including 1919) to an average of about 11,500,000 bales. This was due mainly to the high war prices for food, and during 1917 and 1918 especially to the appeal by the United States Government to southern farmers to be self-sustaining by raising their food and feed supplies. Economists for years had advised

Cotton's Job

THERE'S many a ragged shirt in the world that needs replacement. Hungry spindles are waiting for thread. The automobile industry cries that it must have 400,000 bales for tire fabric. Consumption is treading on the heels of production. And the boll weevil lurks darkly in the background, the bad man of the piece.

Here is the setting for a real drama. Mr. Ousley is one of the few men who are capable of doing justice to the subject. He comes from the south and knows the cotton industry from seed to cloth.—THE EDITOR.

such a program of balanced farming as the wisest course for prosperity, but the national requirements during the war gave the plan a practical demonstration.

And yet the cotton planter has not prospered so much as the uninformed would infer from the advance of 12½ cents a pound in 1913 to approximately 40 cents a pound in 1919. The ratio of advance in dry goods has been greater, and the manufacturer has made a larger profit upon his capital than the cotton producer has made. Upon the comparatively small average acre yield in 1919 (due to unfavorable weather) the cost of production was very high. Cotton picking (harvesting) alone in large part last year cost around 9 cents a pound. The producer who raised no more than a bale of cotton to 4 acres and got only an average grade of average staple made little or no profit after allowing himself ordinary wages and 6 per cent interest upon his investment.

To figure it differently, the gross value of cotton and cotton seed produced last year may be roughly reckoned at \$2,500,000,000. That was produced on approximately 1,700,000 farms, which is less than \$1,500 of cotton money to the cotton farmer and family of an average of at least three persons who do more or less work in the making or saving of the crop.

Yet current prices loom large on the bale unit. Forty cents a pound is \$200 a bale. When that is contrasted with \$60 a bale in 1913 and \$25 to \$35 a bale along about 1890 to 1895, it is mighty tempting alike to the small farmer and the big landlord, because really cotton in greater or less yield is the surest crop known to southern agriculture—it never quite fails, and it is salable on the instant for cash, or it can be held under shelter without deterioration, which is not quite true of any other crop.

If labor were plentiful, there would probably be a substantial increase of acreage in 1920.

But the south has suffered equally with other parts of the country in the migration of people from the country to the city. The conservative Cotton Belt farmer this year will hesitate to plant more than he is sure of the labor to cultivate and harvest. But the average cotton farmer, like the average cotton speculator, looks at the price and forgets the cost and contingencies; he thinks of the \$200 a bale of 1919 and forgets the \$35 a bale of 1914 and the 9 cents a pound for picking in 1919. The economic program for the Cotton Belt farmer in 1920 is to continue to diversify, to distribute his risks by planting a variety of crops, to make sure the production of food and feed for his family and livestock. Such a program, with a depleted labor supply, would somewhat reduce the acreage of 1919.

My guess is that the acreage will be somewhat increased. The limit of increase will be governed by the weather at planting time, the prospective supply of labor for chopping and picking, and in slight degree by the export movement and the prices prevailing during the next few weeks. The boll weevil pest will have some influence, especially in sections where it has but recently appeared.

It should not bring calamitous prices to the American producer if our crop of 1920 should exceed the average of the last five years by one or two million bales; which should be produced with favorable weather upon last year's acreage, unless Europe's financial condition should grow much worse. The world stocks are low; the need is great. Total production has declined from about 25,000,000 bales in 1914 to less than 20,000,000.

India reduced production during the war in about the same ratio as the United States, and for similar reasons. Egypt has reduced but slightly because the Egyptian agricultural situation is not so adaptable. Production in other countries is comparatively inconsequential. The greatest is Central Asia, with a million to a million and a half bales. The next is Brazil, with 400,000 to 600,000 bales.

The Same Stimulant—and Check

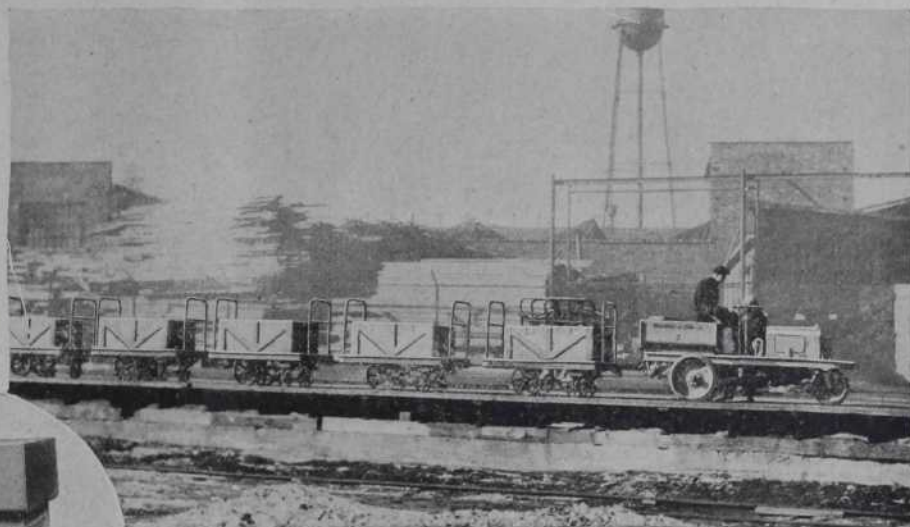
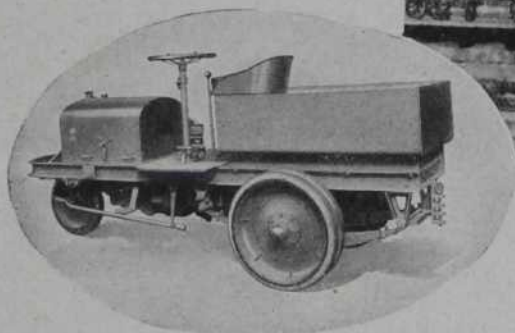
THE high prices will stimulate production in these other countries, but the same causes that operate moderation here will operate moderation elsewhere and will prevent the opening of new areas of considerable proportions.

An increase of as much as 3,000,000 bales in the United States—and that is easily possible—would probably effect a material decline in prices unless there should be a sharp industrial revival in Europe. But 3,000,000 bales more manufactured into dry goods will be no more than the world needs if it can find the money to buy.

Besides the depletion of household dry-goods and wearing apparel throughout Europe which must be replenished as rapidly as possible, the uses of cotton are increasing in many ways. It is estimated that 400,000 bales will be required this year for fabric of automobile tires. This industry has given great stimulus to the production of "long staple" cotton, that with a fiber of 1 1/8 to 1 5/8 inches compared with the minimum of 7/8 tenderable on contract. The Arizona cotton is of this variety and is in great demand at prices more than twice the short staple quotations. In many parts of the south effort is making to grow cotton of longer fiber because of its distinctively higher value in manufacture.

We can increase the value of our cotton crop \$30 to \$50 a bale, or our raw material wealth \$400,000,000 to \$1,000,000,000 a year, by the simple process of growing cotton of longer staple.

(Continued on page 38)



Built to Save Trucking Labor in Industrial Plants

Here Are Some of the Duties Per- formed by Truc- tractors:

Hauls raw materials, castings, coal, foundry sand—whatever needs to be hauled in the foundry.

In the factory the Truactor distributes materials to proper departments—directly to machines—as much as 10 tons in one trip at any speed to 12 miles per hour.

Keeps supplies and parts moving from one building or department to another, through yards, aisles and doorways—spots its load exactly in desired place.

EVERY industrial plant is installing labor-saving machinery—to speed production and lower costs.

The new labor-saver and cost-cutter is the *Clark Truactor*.

With it, one man does the trucking and haulage of many. It is specially designed for industrial haulage. Compact, sturdy, gasoline driven, it will tow as much as 10 tons on trailers, and carry 2,500 pounds in the body.

The Clark Truactor works constantly—24 hours a day if necessary—requires no special mechanic to run, and operates at low cost.

The Truactor travels at any speed between $\frac{1}{4}$ and 12 miles per hour in the plant and yard.

A transportation expert will be sent to study your handling problems without obligation to you. A well-illustrated booklet shows the many tasks performed by Truactors. Write for your copy and Transportation Analysis Sheet.

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CLARK TRUACTOR

What is more to the point, we can multiply our wealth in raw cotton at least five times, or from something more than \$2,000,000,000 to \$10,000,000,000 or \$15,000,000,000, by converting it into manufactured goods. A pound of cotton worth 40 cents converted into organdie makes about 11 yards worth more than 30 cents a yard. Striking a conservative average of organdies, lawns, print-cloths, jeans, etc., \$1 of raw material means \$5 of manufactured product. The difference of \$4 represents the value of labor and distribution including wholesale merchandise profits. Our total manufactured product in 1914 was \$701,300,933; in 1919 it was easily \$2,800,000,000, and the figure represents the manufacture of less than half a normal crop.

After all, there is some reason for the fascination of growing and handling cotton. The giant industry employs nearly 2,000,000 farmers in production and nearly a half million persons in manufacture with annual wages of

about \$350,000,000. It represents a capital investment of perhaps \$2,000,000,000 in production and perhaps \$3,000,000,000 in manufacture, with an output of \$2,500,000,000 in raw products and more in manufactured products. The value of the raw product has increased more than five-fold and of the manufactured product some seven-fold from the low point of 1914 to present quotations.

Something like 1,700,000,000 mortals require raiment as well as food. In fact in civilized countries it is against the law to appear in public unclad. So, while we have tumbled over most of the political autoerats, we shall never desire completely to dethrone King Cotton.

Our Big Canal

THE PANAMA CANAL reports the best business in its history during December. It passed 281 ocean-going steamers with cargo

of 953 tons, and collected \$891,000 in tolls. At such a rate the canal would earn about two-thirds of its yearly cost.

The canal's business for 1919 exceeded the business of any earlier year; in all, it passed 2,394 ocean-going vessels during the twelve months. Since the canal was opened it has now been a waterway for 9,514 vessels.

Not being at such a busy narrows as the Suez Canal, the Panama Canal in 1919 handled about one-third as much traffic as the Suez Canal had in 1913. Like other enterprises, however, canals develop slowly. Things looked so bad for the Suez Canal fifty years ago that shares in the company which operates it fell to 50 per cent of their issue price, and a clever British prime minister took advantage of the necessities of an Egyptian ruler to acquire a big block of the stock at those bargain prices. The shares now have a market value approximating 1,400 per cent of their issue price.

When a Feller Needs a Friend

BUSINESS MEN do not know what is good for them. At any rate, on no other theory can anyone account for the sudden attempt to deprive them of a substantial part of such governmental service as they have attained in connection with foreign trade. This effort was sprung so unexpectedly and under such circumstances as to have every resemblance of a plot carefully nurtured and matured in the ancient Machiavellian style.

Perhaps no other method of attack promised success. Business men and their organizations had made long-continued efforts and shown an amount of patience that approximated angelic standards, obtaining each government facility for the aid of commerce in the face of indifference and opposition. As for what business men wanted, the commercial and trade organizations in the membership of the National Chamber have twice over recorded themselves through referenda as overwhelmingly advocating our Government having commercial attaches abroad and developing the activities of the Bureau of Foreign and Domestic Commerce for the purpose of having it ready to grind out for each American concern with a foreign trade problem on its hands the prompt and specific help that could be used in a business situation.

Preparations for springing the plot were pretty thorough, behind the scenes. One fine morning in February, officers of the Department of Commerce were, upon notice of forty-five minutes, required to appear before a congressional committee and show cause why the entire twelve commercial attaches should not forthwith be obliterated. The services of such officials now stationed at London, Paris, Rome, Madrid, Copenhagen, The Hague, Buenos Aires, Rio, Mexico City, Tokyo, and Peking were to be totally eliminated on the stroke of midnight, Wednesday, June 30, 1920, Anno Domini. There was no question about letting down gradually. On the contrary, the job was to be thoroughly done, and when the sun rose on the morning of July 1, no American commercial attache was to be found surviving in any portion of the wide world.

So far as there were some misgivings among the adherents of the scheme, they were well justified in the event. In every community which has an interest in foreign trade, and in all the towns which have hopes in that direction, the protests against the raid on the government agency from which they get most

An editorial having to do with the attempt to cripple the foreign trade organization which business men obtained after years of patient pleading.

direct comfort and assistance were simultaneous, thunderous, and unanimous. Even American business men in foreign countries heard of the threat at an integral part of the Government's system for commercial intelligence and used the cables; they pointed to "the immediate disastrous results of any relaxation of the assistance the Department of Commerce has rendered," and spent round sums of money in cable tolls to tell of the "paramount importance of commercial attaches for maintenance and extension of American foreign commerce."

Members of the House of Representatives, too, turned their attention to the scheme of elimination and curtailment which had been incorporated in the appropriation bill. A great majority are no more indifferent to international commercial relations than the Supreme Court, and the Supreme Court on March 1 in part rested its decision in the steel case upon our national interests in foreign trade. When it came to voting in the House, two hundred ten members declared against the elimination of commercial attaches and but 39 remained to wish this service terminated.

A more inopportune time for crippling our Government's commercial intelligence service at the command of American business houses will scarcely occur again in a generation. The course of trade in the next few months will have much to do with our future commercial history. With the rates of exchange in a more chaotic state than ever before in modern times, with every exporter beset with a multitude of perplexities, and with every buyer or seller in foreign commerce seeking help, the proposition was suavely brought forward that the commercial attaches should be annihilated, root and branch, and the Bureau of Foreign and Domestic Commerce should be placed on the operating table and nonchalantly deprived of approximately one-third of its anatomy, the particular parts to be lopped off being selected largely on the hit-or-miss plan.

Such a proposition requires a slogan, ac-

cording to the most approved methods of up-to-the-minute propaganda. The slogan chosen was calculated to have a soporific effect upon business men themselves, that they might not awake until the deed had been done. The watchword was "prevention of duplication." Put into this form, the thing was humorous; for there is nobody today to take the place of the commercial attache or of the portions of anatomy that were to be sliced off the Bureau of Foreign and Domestic Commerce. It seems that some optimistic souls had schemes which would create other officers, of somewhat similar kind, and thus there might, in some dim and happy future, be a time when the American business man would find two capable gentlemen accredited by our Government and ready to give dual attention to each one of his wants!

That pleasant dream could find realization only if Congress saw fit to enact the scheme into law. The possibilities of any such enactment at this session of Congress are about as remote from reasonable expectation as a star of the thirteenth magnitude is from the orbit of the earth.

Over this sort of thing the American business man has very just cause to pick some old crow with the gentlemen who talk solemnly of "duplication," and the rest. Knowingly or unknowingly, such gentlemen are seeking to have our Government do him a disfavor when the governments of other countries are lying awake nights trying to devise ways of helping their loyal subjects cut a bigger swathe in foreign trade. At this particular moment England has high officials traveling about the world in connection with reorganization and expansion of her consular service and her commercial attache service. These services the British Government is taking very seriously.

At the same time, the special trade agencies at home are being reorganized by England. A real department of commerce is in process of creation out of the Board of Trade, augmented by the Overseas Trade Department. It may be high time for American business men to retaliate for the recent attempt to take away from them a good part of the little they have in the way of official assistance, by setting out upon a crusade of their own—to get a Department of Commerce that is really commensurate with American business interests at home and abroad.



Pianissimo the tell-tale test of touch

"Royal" touch is an *individual* touch—swift, responsive—tuned in a few seconds by one simple thumb-screw. This personal adjustment means more speed—more comfort—less strain on both operator and machine.

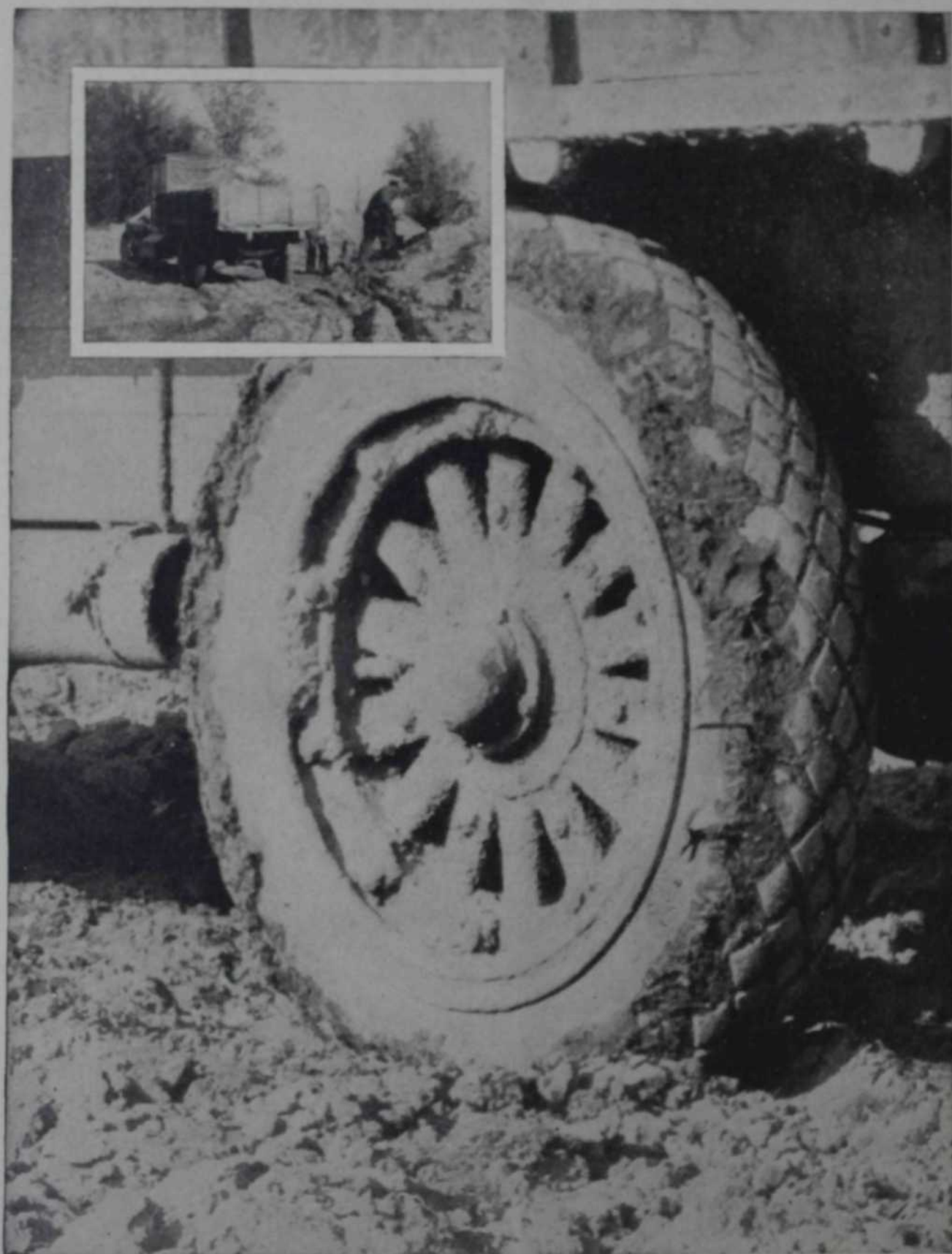
The "Royal" is the machine of clear-cut work. The type faces can not chip—the carriage can skip no spaces. Efficient, rugged—it's the logical choice of big business, for it ends the trading-out evil.

Let a demonstration decide the matter.

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ROYAL

COMPARE THE WORK



Actual photograph showing Goodyear Cord Tires in heavy duty service for Rochester Bridge Company of Rochester, Indiana

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GOODYEAR

Pneumatics Throw Open New Highways

"PNEUMATIC tires enable us to use a motor truck—otherwise only teams could haul our steel girders and supplies to bridge construction over soft fields. Your Goodyear Cords save truck, time, labor—enable us to do work otherwise impossible."—O. E. Nichols, Superintendent of Construction, Rochester Bridge Company, Rochester, Ind.

THIS vivid word picture describes one of innumerable instances in which pneumatic tires now make the employment of motor trucks possible as well as profitable.

Men and industries find that the tractive, cushioning, easy-rolling pneumatics free them from tedious team hauling by freeing trucks of the handicaps imposed by solid tires.

The present rapid adoption of the pneumatic truck tire has its basis in the high development of Goodyear Cord construction, begun years ago by Goodyear.

This method of manufacture, combining extreme resilience and toughness, is the foundation of every virtue of the pneumatics by which they multiply the utility and economy of motor trucks.

Goodyear has not only worked out Goodyear Cord construction but also has pioneered its application in heavy transport duty with pneumatic-shod fleets—the Akron-to-Boston Express, the Akron-to-Cleveland Freight Line, the Goodyear Heights Busses, and similar undertakings.

Now very complete cost data, developed by these pioneer caravans, and detailing the economy of pneumatics in comparison with solid tires, can be obtained by writing to The Goodyear Tire & Rubber Company, at Akron, Ohio.



CORD TIRES

The God in the Price Machine

An intimate picture of the inexorable law of Supply and Demand that automatically works in every market to create and register a just figure for both buyer and seller

By HOMER HOYT

Professor of Economics and Business Administration, Delaware College

IN EVERY nook and corner of the business world there is a wonderful kind of calculating machine that is built of nothing more substantial than air and that is operated by perpetual motion without cost to anyone. There is a separate machine for each commodity and for each market in every country of the world, and the hundreds of thousands of separate machines are linked up in a vast system. These instruments automatically gauge the demand and supply of every article of commerce in every nation, and with absolute precision they flash upon the screen every minute and every hour the net results. These magical devices are the machinery of demand and supply which determine prices.

What is the scientific principle that governs these marvelous pieces of mechanism? Business men safely trust prices to the law of supply and demand, they have confidence in the natural forces of the market, but the price system works so perfectly and so automatically that few business men are aware of the nature of the natural competitive machinery that controls prices.

Let us take these airy pieces of mechanism apart and examine their structure and their source of power. Suppose that we watch the method by which the machinery of demand and supply fixes a price.

The Opposing Forces

IN ANY market we will find two groups of people, the buyers and the sellers. The buyers represent the forces of demand; the sellers are the spokesmen for the supply. At any one time there are a great many people on the market who would buy if the price were lower, and at the same time there are many sellers who would sell if the price were higher. People do not buy in most cases without reference to the price, but they are willing to pay so much for any article, and no more. If the price is too high, they refrain from buying.

At the same time there are producers who would manufacture more goods if the price were higher, but who find it unprofitable to produce at the ruling price. Thus, before the market is opened and before any price is fixed, there are a large number of potential buyers and potential sellers each with his own idea of how much he is willing to pay or how much he wants for his goods.

When the auctioneer announces the beginning of the sale of 100 units of any goods, the first bids are low. In fact, a price of \$1 is so low that there are enough buyers to take 1,000 units at that price. So the buyers will compete against each other to raise the price. The bidding goes to \$2, at which point there is a demand for only 500 units. The price is successively raised to \$5, \$7, and at last \$10, at which figure there is a demand for just 100 units of goods. At this point the demand equals the supply and the price will be fixed at \$10.

The price cannot go any higher

because of the competition of the sellers. Suppose, for instance, a price of \$15 were asked. At that amount only 50 units of the goods would be demanded. Hence there would be a surplus of 50 left unsold. In order to sell all of the goods, the sellers would bid against each other to sell their wares, thereby lowering the price to \$10.

The calculating machines of demand and supply thus work on a simple principle of a pair of scales. The supply is heaped on one side and the demand on the other, and when the two exactly balance a certain price is flashed on the indicator. This is the market or the ruling price. If the scales do not balance for any reason, an equilibrium tends to be established automatically.

Thus, if too many goods are piled on the supply side, the indicator falls and points to a lower price. This lower price attracts a heavier demand so that more weight is piled on the demand side until the scales exactly balance again. Or suppose the demand side is too heavy. Then the indicator rises and points to a higher price. This stimulates increased production and makes the supply side heavier until it exactly balances the demand.

Now this is the wonderful system of balances that operates to fix the price of everything. Unlike everything else, it operates at zero cost and it never breaks down. Yet legislators and commissions sometimes think they can invent a better machine for fixing prices than the magical machinery of supply and demand. At great cost and effort they erect price-fixing boards, and then they find out at last that these boards "are long, narrow and wooden" and that they have obstructed the operation of the normal market machinery. All efforts to fix a price in defiance of the law of supply and demand have in the end proved as futile as the efforts of King Knute to stay the rising of the tide.

While legislators or any body of men cannot thus change a price merely by their own fiat, however, they can and do frequently change the fundamental forces of demand and supply. The calculating machine that fixes market price merely registers the state of demand and of supply that actually exists. If a Hoover can mobilize the housewives of a nation in a campaign to economize wheat and

sugar, the demand is thereby controlled, and through the demand the price is affected. If a manufacturer by skilful advertising can stir up a demand for his product or operate upon the mind of the consumer so that he will want to buy, the demand is thereby increased, and the price automatically registered by the price machine is increased likewise.

There Are Thousands of 'Em

THE price machine that fixes the price of any one commodity is also linked up with a thousand other price machines. Sometimes there is only one price machine for one commodity for the entire world. This is true of commodities that have a world market such as wheat and cotton. In other cases there are thousands of price machines for a single commodity, such as in the case of common building brick where each city is a separate market. But in every case the price fixed for one commodity depends upon the prices fixed for a thousand others.

The price fixed for wheat depends upon the price fixed for land, farm labor, fertilizer, etc., because these prices determine the cost of producing wheat; the price fixed for wheat likewise depends upon the prices of corn, rye and barley, for these are substitutes for wheat and affect the demand for it. Also the price of wheat in India, Australia, and South America affects the price in the United States. The price of wheat at one time affects the price at another time. A very high price for wheat one year stimulates wheat planting and causes a larger crop and lower prices next year. Thus prices are connected throughout the world and throughout periods of time. Retail prices are also determined by wholesale prices, and wholesale prices are governed by retail prices, because wages are controlled by the retail prices of food and clothing.

The business world is thus an interwoven network of prices. In fact prices are the nervous system of the business world. They determine what kinds of work shall be undertaken and they bind the whole system together.

We are living in a society where everything is catalogued and indexed according to its price. We measure a business man's success by his income. We speak of a "million-dollar pier" as a means of measuring it with other piers. We talk of feeling like "a million dollars." We prize things that are high-priced regardless of their intrinsic worth. All of this is evidence of the spell which the magical price-fixing machines cast upon us. Because it is the easiest thing in the world to calculate the money worth of anything, we accept the money worth as the most convenient standard of measuring worth.

Critics cannot agree on which book is the best from a literary standpoint, but they have no difficulty in determining which is the best seller.





DEPENDABILITY

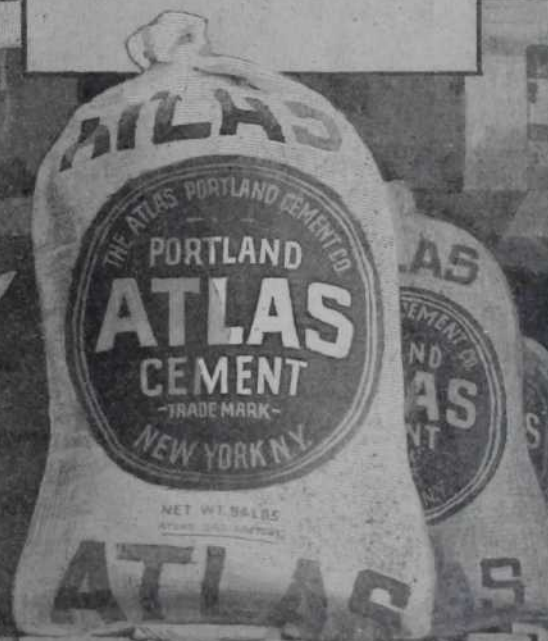
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High lights in the swiftly moving drama of American Business finding itself after the shock of peace

Industry

The total production of all grades of paper, a Federal Trade Commission report says, was greater in 1919 than in either 1917 or 1918, amounting to 6,190,361 tons. There was a material decrease in stocks during 1918 due to increasing consumption.

Oil production in the United States during 1919 amounted to 366,255,611 barrels, a twenty-four million barrel increase over the previous year, according to the *Oil City Derrick*.

There is little prospect of an increase in platinum production in the United States and Canada according to the Geological Survey, which declares that prices during 1920 probably will be as high as during the last part of 1919 and possibly higher.

Enactment of oil and land leasing legislation after many years' effort was completed on February 11 with the adoption of the House and Senate conference report.

The greatest activity in the oil fields of the United States, east of the Rockies, in January, says the *Wall Street Journal*, centered in northern Louisiana and northern Texas. In the former, 58 completions were recorded resulting in 215,000 barrels of new production; in northern Texas, 647 completions resulted in 160,738 barrels of new output.

President Wilson has by executive order continued the powers of the Fuel Administration.

Seattle is building the largest commercial pier in the world. It will cost two and a half million dollars and will be ready on May 1. It will be 2,560 feet long and 360 feet wide and will be able to dock eleven ocean-going vessels at one time.

A British expert on the steel trade estimates that the non-producing countries of the world stand in need of seventy million tons of steel.

The United States Geological Survey has compiled statistics showing that in 1918, 56 per cent of the soft coal produced in the United States was mined by machines. The number of machines in use was 18,463, an increase of 1,228 over 1917 and 2,265 over 1916. The greatest number of machines were in use in Pennsylvania with West Virginia second.

Transportation

AFORECAST of railroad operations for 1919 indicates that only 2 3/4 per cent was earned by the country's railroads on an investment placed at nineteen billion dollars. The figures show that while revenues passed the five-billion-dollar mark for the first time, the high cost of labor and material brought a net operating income of only \$515,000,000.

The last appeal Director General Hines made to shippers before returning the railroads to corporate operation was for them to make the best practicable use of freight cars. Freight traffic, Mr. Hines pointed out, is increasing rapidly, and car capacity is not making a corresponding increase by a wide margin. Capacity loading is the solution to the problem, as Mr. Hines sees it.

THE importance of these paragraphs is of inverse ratio to their length. They are culled from the business news of the month, and are boiled down to the very bone to make quick and easy reading. Among them are facts that can be applied directly to the opportunities and problems of your business.—The Editor.

The *Railway Age* says that \$6,000,000,000 will be required for railroad improvements in the next three years—\$2,000,000,000 a year. Too much, say some. The *Railway Age* replies that the automobile factories, for instance, will build 2,000,000 cars this year, costing, at an average price of \$1,000, the sum of \$2,000,000,000. "If the country can spend two billions for automobiles in a single year, many of which are used chiefly for joy riding," it asks, "is it unreasonable that it ought for three years to invest \$2,000,000,000 a year in increasing the facilities of the railroads for the rendering of good and adequate service which is indispensable to the country's industrial growth and prosperity?"

The demands upon switching locomotives by the heavy tonnage trains of the present day have resulted in the building of some very heavy ten-wheel switching locomotives. The tonnage of many trains has grown to such an extent that they are beyond the capacity of most locomotives used for switching. The first of the new type of ten-wheel switching locomotive used was built by the American Locomotive Company for the Chesapeake & Ohio railroad.

The Interstate Commerce Commission has decided the mail transportation case in favor of the railroads, which will receive from the Government \$20,000,000 in back pay. The new rates established, according to Director General Hines, will reduce the Railroad Administration's operating deficit about \$50,000,000.

International Trade

Business men are urged by J. E. Gardin, chairman of the International Banking Corporation, not to concentrate their foreign trade activities in Europe but to focus their attention on other continents.

Danish merchants have notified the New York Commissioner of Markets that they can ship to New York unlimited quantities of butter, cabbage and potatoes, much cheaper than these foodstuffs can be produced in the United States.

Shipowners' organizations in Norway are said to have asked the Norwegian Government to make an effort to cancel American coal contracts which call for 35,000 tons monthly to ease the heavy demand on tonnage.

The entire flax output of Esthonia, Lithuania and Lettland, according to press reports, will be taken over and disposed of by the National Metal and Chemical Bank on a commission basis.

German buyers are said to have arrived in Mexico City to arrange for the purchase and shipment of surplus cotton and wool to their country.

The American tractor is finding ready sale in Sweden where the country's four factories with an estimated annual output of only four hundred machines are entirely unable to meet the demand. The caterpillar type of tractor does not meet with favor in Sweden.

American companies hoping to obtain magnesite from Austria have been disappointed, according to reports, because the shortage of coal has limited production severely.

Germany's potash production in 1919 is given as slightly less than one million short tons in figures gathered by the Department of Commerce. The potash syndicate, it is declared, will base its prices for sales in the United States on market conditions here rather than on the legally regulated maximum prices for consumption obtaining in Germany.

The War Department is arranging to give to manufacturers the benefit of what it learned during the war regarding improvements in packing and baling for foreign trade. The department is said to have been unusually successful in baling goods.

Notwithstanding further depreciation in European exchange during recent weeks, exports of domestic raw cotton from the United States in January of 478,028,139 pounds, or 929,671 bales, invoiced at \$194,965,353, exceeded in value and number of bales shipped the former higher record set in November, 1919.

The Post Office Department announces that parcels will be accepted for Poland up to a weight limit of 11 pounds at a postage rate of twelve cents a pound. Postmasters are instructed to dispatch parcels for Poland to New York for transmission abroad.

British exports in 1919 were just about one-half of what they were in 1913 by weight, according to an analysis made by the Board of Trade.

A new French government decree removes the present prohibition against the importation of frozen beef, beginning June first.

There has been a great stimulation of activity in the diamond fields of British Guiana due to the high prices paid for stones. The English and American markets are said to be absorbing all the diamonds mined.

American manufacturers are advised not to send catalogs and other publications to Paraguay by parcels post because of a heavy tax imposed. Matter sent by ordinary or registered mail escape the tax.

The grain corporation announces that exports of wheat and flour from July to February amounted to 87,000,000 bushels of wheat and 10,500,000 barrels of flour.

Exports of confectionery from the United States in 1919 increased tenfold over 1918, amounting to more than \$12,000,000. Imports were negligible, with shipments of \$195,000.

The Mexican Government will permit the payment of import duties at Mexico City instead of at ports of arrival on delivery of bonds and by paying 25 per cent surcharges.

Getting Right Lighting

Getting the right light is simple enough—MAZDA makes that easy! But turning raw light into illumination requires a certain amount of expert knowledge. It requires experience gained by *daily contact* with the tremendous changes in lighting practice that have come about during the past few years. Great harm has been done to the cause of good lighting by those who thought that more lamps or larger lamps alone assured efficient factory lighting. IVANHOE has kept abreast of lighting developments and has brought out several of the more important improvements in equipment. Lighting, as practiced by IVANHOE, is the most practical sort of science. It gets results. You may have the benefit of IVANHOE engineering experience if you will write us the nature of your requirements. Please send if possible blue prints of building to be lighted together with full information.

IVANHOE-REGENT WORKS

of General Electric Company

Cleveland, Ohio

"Ivanhoe" Steel Reflectors, Lighting Glassware, Anderson Self-Adjusting Arms, and Engineering Service.



"Service to Lamps"

IVANHOE

SHADES—REFLECTORS

The first large increase in the weight limit of parcel post packages to Latin American countries has just been agreed on. The maximum weight limit of parcel post packages exchanged between the United States and Panama has been increased from 20 to 50 pounds.

Exports of wheat during the year 1919 totalled 130,000,000 bushels as compared with 115,000,000 bushels the year before.

The Japanese Government is aiding in the export of Japanese oranges to the United States by discounting 15 per cent overland carrying expenses on shipments.

America's export trade to Latin America jumped from \$99,000,000 in 1915 to \$400,000,000 in 1919. Imports during the same period increased from \$261,000,000 to \$568,000,000. This remarkable growth came in considerable measure from the dislocation of Latin American commerce with Europe.

Foreign

THE first really big step toward mass production in England is the recently reported thirty million dollar motor manufacturing combine. The amalgamation includes many of the larger manufacturers of cars as well as manufacturers of accessories. The combine hopes to be manufacturing three hundred cars a week by July of this year.

Discontinuance of the government unemployment donation to civilians in England has brought about a great decrease in unemployment. The unemployment donation will continue until March 31 for demobilized service men and women, although civilians no longer can draw from the donation funds.

The famous Woolwich Arsenal near London will be used for the manufacture of railroad rolling stock, according to the American Chamber of Commerce in London. The arsenal is a government institution and will be run as such after it starts the manufacture of railroad materials.

The cost of living has hit China. Consular reports tell of unsettled conditions throughout the republic due to higher costs of necessities of life. The price of rice has advanced nearly 20 per cent, and textile products in some instances have doubled.

Reports to the Department of Agriculture say spinning mills in England in some instances are making profits ranging as high as 300 per cent on capital stock through the manufacture of raw cotton imported from the United States.

The British motor industry is trying to find in benzol a substitute for gasoline as fuel for motor cars. Tests are being made in many parts of the country. The cost of benzol in England is cheaper than gasoline.

The British Government is contracting for 5,000 acres of flax to be grown this year in order to preserve the goodwill of the government flax factories. The price offered will be £13 a ton with a possible bonus of \$2 a ton for flax of exceptional quality. Purchasers of government factories will be required to take over these contracts.

Little or no attempt has been made by personal solicitation for business on German account among Canadian importers, according to a report to the Department of Commerce from the American consul at Kingston.

Chinese imports from Japan increased 714 per cent from 1904 to 1918; from the United

States, 240 per cent, and from England, 49 per cent, in the same period, as shown in a handbook issued by the Bureau of Foreign and Domestic Commerce.

Dutch financial agents, according to press accounts, are investigating plans for an international exchange of goods at Amsterdam with the object of relieving the necessity for the use of gold.

Japan is claimed to have suffered in 1919 the first trade balance reverse since 1914.

The iron and steel industry in Italy has recently reached a position of first importance in relation to other Italian industries, according to a report by a Department of Commerce Trade Commissioner.

Recent acquisitions of sugar property by American financiers will give them a controlling interest in 153,000 acres of sugar land in Cuba, according to press accounts. This group plans erection of a centrale with a capacity of 300,000 barrels of raw sugar each crop. It is said that production will eventually reach 900,000 barrels annually.

The Italian Government is preparing to discontinue the purchase and distribution of food supplies and to detail these functions to central and local consortiums created for the purpose while retaining control of prices and general policies.

The British Government plans a system of municipal milk bureaus for England. Municipalities would license milk dealers and in time of emergencies fix prices.

Belgian export trade is declared to be reviving rapidly. Exports have reached a point where they amount to about 65 per cent of imports.

The British Government is introducing a new nickel coinage which it is declared has been rendered necessary by the consistently rising price of silver. At the same time it is desired to get rid of the present cumbersome copper coins.

British exports for the first time on record exceeded one hundred and five million pounds sterling in value in January. These figures are announced from London to show that British trade is recovering rapidly.

As a matter of self-interest, Great Britain, according to the President of the Board of Trade, must resume early trade relations with the Central Powers. This is necessary, it was said, to prevent Bolshevism in these countries.

The declared exports from Cartagena, Colombia, to the United States during the past year show an increase of almost \$3,000,000, as compared with 1918, amounting to \$6,876,340 and \$9,823,635 in 1918 and 1919, respectively.

Shipping

THE Japanese Department of Communications has issued an order specifying service for the *Nippon Yusen Kaisha* and the *Toyo Kisen Kaisha* on their Antwerp, Puget Sound, San Francisco, African West Coast and Melbourne lines. It calls for one voyage every two weeks on the Antwerp line; one every two weeks on the Puget Sound Line; one every four weeks on the San Francisco Line; one every two months to the West Coast and one every month to Melbourne.

Reorganization of the Division of Operations of the Shipping Board has brought reductions in the annual salary outlay of

\$739,875. The personnel was cut down 63 per cent.

The views of the country's business men with respect to the disposition of government merchant ships, as set forth in the recent referendum of the Chamber of Commerce of the United States, has been presented to the Senate Commerce Committee by N. Sumner Myrick, vice-chairman of the Chamber's Shipping Committee.

Foreign shipowners would be awarded some twelve million dollars on the claims for vessels and materials requisitioned by the United States during the war under a recommendation of a committee of the Shipping Board. Of fifty-five claims filed by foreign interests three were for ships and the remainder for shipbuilding materials.

Rear Admiral Benson, Chief of Naval Operations during the war, and now on the retired list, has been selected by President Wilson to succeed John Barton Payne as a member of the Shipping Board.

Difficulty in securing docks and warehouses accommodations, together with a serious shortage of bunker coal, is causing great delay in clearing vessels at British ports.

The total number of masters, officers and men required to man American merchant vessels, including yachts, is 266,000, according to an announcement by the Bureau of Navigation.

The present shipping service between the United States and Brazilian ports is declared to be anything but satisfactory. The American Chamber of Commerce for Brazil declares the present American lines to Brazil do not satisfy the Brazilian trade because of long delay in settlement of damage claims.

Quite a furor was created in the newspapers and some in Congress over the proposal of the Shipping Board to sell the German liners taken over by the United States when war was declared on Germany.

A compilation by the United States Bureau of Navigation shows that the tonnage of merchant shipping now building throughout the world is more than double that at any time before the world war. The losses of the world, the bureau says, have already been made good.

British shipyards in steel construction on the first of the year led with 2,991,597 tons of construction as against 2,262,992 tons in American yards.

Agriculture

THE level of prices paid American producers for the principal crops increased nearly 5 per cent in January. On February 1 the index figure on prices was 19 per cent higher than a year ago.

The Department of Agriculture estimates that the amount of domestic pulled wool produced in 1919 was 15 per cent greater than that produced in 1918. Sheep prices have decreased from the high level of the last two years.

The Secretary of Labor has agreed for this season to continue the relaxed immigration regulations promulgated last year to permit foreign labor to enter this country from Mexico, Canada and the Bahamas for agricultural work only. This was done on representations that the supply of common labor for farms in some parts of the country is very short.

Do You Know—

that more than 85 out of every 100 cars sold to-day have Timken Tapered Roller Bearings at points of hard service?

that 129 out of 148, or over 87%, of the leading makes of trucks run on Timken Bearings?

that the tapered roller bearing is the *only* type of bearing that will function properly under radial load, or thrust load, and all possible combinations of the two?

that when Timken Bearings wear, as all bearings must, a simple adjustment makes them as good as new?

that at the end of 200,000 miles Timken Bearings frequently show no wear?

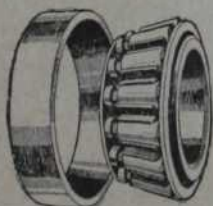
that 99 times in 100 Timken Bearings will out-live the finest car or truck made?



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Dalton simplicity means *only ten keys—one for each figure.* Reduces possibility of error seven-fold as compared with ordinary machines.

The Dalton keyboard saves 80% of the usual arm and finger movements. Instantly operable by anyone. One hand covers it. No groping or hesitating. Figures are written as with pencil on paper, the Dalton automatically placing each figure in its correct numerical order.

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The Dalton is the symbol of versatility. It doubly serves as both an adding and calculating machine. It handles the varied work of any office. It adds, subtracts,

multiplies, divides, figures fractions, percentages, computes interest, discounts, cross-foots, tabulates, makes out statements, etc.

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Dalton durability and after-purchase service are established. Ask the Dalton users in any locality.

Let us demonstrate a Dalton in your office or store. Operate it yourself. There is a Dalton Sales Agent near you. Look for "Dalton" in your phone book or write us for his address.

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ADDING-CALCULATING MACHINE



Uncle John Meredith's Grandson

By accepting a printing plant that was bound for the Des Moines River, Edwin T. started on a career which has brought him into the cabinet as Secretary of Agriculture

By JAMES B. MORROW

BUT FOR the sensational and demolishing resolution of "Uncle John" Meredith made on the morning of June 30, 1896, the narration now to be attempted never could be written.

"Uncle John," early in the day mentioned, left his farm and set out for Des Moines, 90 miles distant. An impossible hope, or an improbable hope, at least, gave him little comfort during the journey.

In due time, which was before noon, "Uncle John" walked into the office of the *Farmer's Tribune*. The situation, he was told, was the same. Little money was coming in; a great deal ought to be going out.

The *Farmer's Tribune* belonged to "Uncle John." He had followed Gen. James B. Weaver into the Greenback party and had gone along with him into populism and sixteen-to-one.

"Uncle John" Meredith owned several farms and was a stirring and influential man. Wheat wasn't worth its cost of production; farmers had been burning their corn. Something was wrong.

Weaver, eloquent, seemingly sound, and an inhabitant of Iowa as well, had said that agriculture was suffering under the curse of gold. "Uncle John" Meredith, so believing, lent Weaver various amounts until the total reached \$14,000 or thereabouts.

Weaver Gave All He Had

AND then Weaver gave "Uncle John" about all that he had, which was nothing more—and couldn't have been much less—than the *Farmer's Tribune* itself. So John Meredith, substantial landowner and successful agriculturist—considering the time—became a publisher.

After John Meredith, on the morning of June 30, 1896, had learned that the status was getting no better, but, if anything, was steadily growing worse, he said, addressing himself to a tall young man sitting at a desk: "Tomorrow I'll throw the press and all the type into the Des Moines River."

"Don't do that," the young man excitedly remarked. "Give them to me."

Thereupon John Meredith shrewdly answered: "I will, provided you promise never to mention the *Farmer's Tribune* in my presence or to write me about it."

"A precautionary measure," observed the author of this article to the then young man, now Secretary of Agriculture in Woodrow Wilson's Cabinet.

"So I guessed," Edwin Thomas Meredith answered, "but he did lend me \$750 some time after."

Edwin Thomas was the grandson of "Uncle John." He was nineteen years old when he became sole proprietor of the *Farmer's Tribune*. Now, at the age of forty-three, his advertising revenues are, approximately, \$2,000,000 yearly. His subscribers number almost 900,000. He employs between 300 and 400 persons. His publishing building is five stories high and 150 feet square. He is a director in banks, insurance companies and other enterprises, and a former director

of the United States Chamber of Commerce. He owns and operates several farms. He has been a candidate for United States Senator and for Governor of Iowa.

Nothing in his career has been spontaneous; nothing has merely happened. From the age of twenty-six he has held to a line of thought and conduct. He has worked by that line without deviation, although creditors have stood in his pressroom and threatened to stop his engine.

The Faithful Creditors

BUT the engine kept going. Money, borrowed or paid in, demobilized the creditors until they assembled again. Which they did. "I have never worried about anything," Mr. Secretary Meredith said to the writer, "except over the fact that I do not worry."

"I went home in those hard, old days," he continued, "and sat up with my problems, but I went to sleep when I got into bed. There would be a way out, I thought, and fortunately there always was."

"My birthplace," he said, when asked to relate his personal story, "was Avoca, an Iowa village of some 1,200 inhabitants. I lived there until I was five years old. My father, Thomas O. Meredith, was a dealer in agricultural machinery. I remember when we removed to Marne, in an adjoining county. It was in 1882, and the day after Christmas."

"There was snow on the ground and we rode to the railway station. That date and two or three others remain in my mind. All of the rest that bear on my life have been forgotten. I can't recall now the year of my first journey to Europe."

"At Marne, we lived on a farm, just outside the village boundary. There I grew up. I attended the public school regularly and in no instance was I ever tardy. In summer I worked in the fields."

What Appealed to Him Most

IHAD no lofty boyish ambitions, such as public office, stump speaking, literature, medicine or preaching. Business was the only subject in which I was interested. I once earned fifty cents by running errands for the town blacksmith. It was, in my mind, a large and satisfactory transaction.

"Then, when I was thirteen and my brother eleven, we cut a neighbor's oats with my father's binder. Eighteen dollars was involved in this undertaking. No sum in hand since has seemed any larger."

"I entered Highland Park College, at Des Moines, when I was sixteen, having graduated at the high school in Marne, studying, for the most part, stenography and bookkeeping. My father paid my expenses. I waited on the table at the students' boarding hall and in that way got my meals without paying \$2 a week, the regular price."

"The money was for my own use, and, being a waiter, I had certain privileges in the kitchen. Waiters, for instance, had cream instead of skim-milk for their coffee, and could have two pieces of pie or cake."

Thus, unconsciously, Mr. Secretary Mere-

dith was revealing his early ability for seeing a bargain and for making the best use of a chance. Thus stood his own matters at that time—he learning business and his grandfather something else. The \$14,000 that John Meredith lent General Weaver had gone toward keeping the *Farmer's Tribune* on its feet.

It was a large sum of money, and John Meredith concluded that he ought to have a personal representative attached to the property. The grandson was chosen for that responsibility. He was to walk the walls and keep his eyes on Zion. This duty he assumed on February 13, 1893.

The arrangement did not work out in detail exactly the way John Meredith had intended. His representative was put to work in the mailing room, instead of in the counting room, at \$8 a week. The age of Edwin Thomas at that conjuncture was seventeen.

It was not long, however, before John Meredith had to take the *Tribune*. His grandson, now one of the most rapid shorthand writers in Iowa and well grounded in the rudiments of accounting, was appointed general manager. The *Tribune*, notwithstanding its adjective of classification, was not a farmers' publication. Anciently it had been the organ of greenbackism. Latterly its only issue had been free silver.

The End of "The Tribune"

THE new manager announced no surrender of old principles. Nor would its proprietor have countenanced any change of doctrine. Although Populism had begun to wane, John Meredith remained firm. And so the *Tribune* fought on until, as has been shown, John Meredith, coming in from his farm and learning that the status was becoming worse instead of better, threatened to throw the *Tribune* into the river.

Hardly two weeks later, William Jennings Bryan was nominated in Chicago for President. Sixteen-to-one, all the mints open, became the predominant principle of a great political party. Had John Meredith paused, he might, made buoyant by new hope, have kept the *Tribune* and not given it away.

The talent of Edwin T. Meredith as a man of business, though only a boy in years, was shown, first, in his feat of keeping the *Tribune* alive and then in selling it to purchasers who loaded it on the cars and shipped it to Sioux City. The sale was made in 1902, not eighteen years ago. In the eighteen years intervening, Mr. Meredith has created a great property, the richest of its kind, possibly, in this country. What program did he follow?

"I had no capital," he said, "after I disposed of the *Tribune*. But I had an idea. The *Tribune*, of course, gave me neither pleasure nor profit. I didn't want to run a political publication; I did desire to try my hand in getting out a paper for farmers."

"The *Tribune* off my hands, I turned to the work I long had in mind. An office was rented. A name, *Successful Farming*, was invented. A publishing house in Des Moines set up the type and printed my publication."

Camels certainly give
you everything you ever
wanted in a cigarette.
They're a revelation!

Camel

CIGARETTES

YOUR highest ideal of cigarette enjoyment begins the day you get acquainted with Camel Cigarettes. You smoke them with the utmost pleasure!

Camels win you so sincerely on their quality merits. Their expert blend of choice Turkish and choice Domestic tobaccos is so new, so smooth and so fascinating to your cigarette desires *you'll prefer it to either kind of tobacco smoked straight!*

And, Camels are absolutely unique in so many other ways that appeal to the most fastidious smokers. They have a remarkable mildness, but that desirable "body" is *all* there! Again, Camels leave no unpleasant cigarettey aftertaste nor unpleasant cigarettey odor!

Camels flavor is so refreshing and the fragrance so unusual and likable that you are delighted that so much satisfaction could be put into a cigarette.

The real way to appreciate Camels best is to compare them puff-by-puff with *any cigarette in the world at any price!*



Camels are sold everywhere in scientifically sealed packages of 20 cigarettes for 20 cents; or ten packages (200 cigarettes) in a glassine-paper-covered carton. We strongly recommend this carton for the home or office supply or when you travel.

R. J. REYNOLDS
TOBACCO CO.
Winston-Salem, N. C.

Sometimes I was half a day behind in my payment to the publishing house, sometimes a day, and sometimes two or three days. Once I owed a paper dealer \$7,000. Occasionally the presses were stopped until I could raise the money that would start them going.

"Now part of my idea, and an important part, was the conviction that business depends on its zone. A big zone—a big business; a small zone—a small business.

"Let me illustrate my opinion in this particular matter. A grocer in the suburbs clears \$1,500 yearly. A grocer down town clears \$5,000. A wholesale grocer, selling in a large territory, clears \$50,000. A manufacturer of some advertised brand of food clears \$250,000.

"It will not do to say that the manufacturer is a better business man than the grocer in the suburbs. At bottom, the suburban merchant may be the abler man. He is limited, however, by his territory. There are just so many families in his trading district.

The Rule of the Zones

THIS rule of the zones, as it may be called, applies to the down-town grocer, with his greater field of action; to the wholesaler, who sells in one or more states; and at last, of course, to the manufacturer of food, whose customers are in all cities and towns, east and west, north and south.

"I think I can say that I have some imagination. Looking ahead, with my experiences on the *Farmers' Tribune*, I thought that I saw an opportunity to establish a periodical devoted to agriculture and soon obtain for it a circulation in a dozen or more states and ultimately a still much wider patronage.

A publication for farmers goes directly from the publishing house into rural homes. It is read by every member of the family. Necessarily, it must inform and interest the farmer, the farmer's wife and their children. There is yet another element to be considered. The whole family should believe in that publication; the father and the mother should never read a line that even by inference could do their sons and daughters any harm.

"I was twenty-six years old when I established *Successful Farming*. The doctrine that I am now stating to you was my controlling principle then. And it can, in general, be applied to any business undertaking. I decided never to print the advertisements of patent medicine men, nor of the so-called quack doctors. The reason for this decision needs no elaboration.

"Liquor advertisements were not accepted. It was the same with the advertisements of all forms of tobacco. No farmer's wife, I was determined, should ever say: 'I am sorry to see that advertisement in *Successful Farming*.'

"A tobacco contract worth \$40,000 was offered to us when that sum was equal to a very large part of our yearly

profits. I knew exactly what would be done with the offer, but I called a session of our cabinet, of the chief executives in our establishment.

"The subject was thoroughly discussed. The amount, \$40,000, was a great temptation to several of the men present. I decided the matter, saying that if our property were worth a million dollars, then the face of the contract was equal to 4 per cent on the value of the investment.

"Could we afford, I said, merely as a matter of money, leaving moralities out of the case entirely, permanently to injure our property for the equivalent of a dividend of 4 per cent? Distrust, I added, is cumulative. It goes on from year to year, I said, and would be piling up long after the \$40,000 had been received and spent.

"Financial advertisements also are excluded from our columns. The richest bank in the world cannot purchase an inch of our space. Banks admitted, brokerage houses would offer their business, and before we were aware of it, possibly, stocks and bonds of uncertain value would be seeking customers from among our subscribers. The line separating good stocks from bad stocks is so indistinct that we concluded to let the job of finding it to someone else.

"All of our advertisements are guaranteed—that is to say, if any of our subscribers purchases an article advertised in *Successful Farming* and finds that the article was misrepresented, we take it and give him the price that he paid for it. This policy we have followed for a long time. And, let me say, we have rarely been called upon to make our guarantee good."

After being associated in business with Mr. Secretary Meredith for twelve years, T. W. Le Quatte says that his "greatest personal asset now and in the past has been his ability to make people believe in him. He went," Mr. Le Quatte continues, "to men in Des Moines to whom he owed money and asked for more—and they let him have it."

This "ability" to inspire confidence, to increase his borrowings, instead of curtailing them, is a matter and was a matter, very largely, of manner and countenance. Often, one man meeting another for the first time has an instinctive impulse to assault him. The contrary, also, is true, in which event there is attraction instead of aversion.

The feeling of aversion and that of attraction are matters of eyes, expression and atmosphere, mostly. Brown eyes of a certain tint, the rest of the face being in conformity, induce faith and promote fluency. Ministers and physicians ought to have them. Such were the eyes that, in Des Moines, long ago, caused careful men not only to renew certain insecure loans but to increase them. No eyes ever could achieve a greater victory, unless, perhaps, it would be in love-making.

But eyes alone can't win. They must have backing—battalions to be rushed to the front when lines are breaking. Mr. Secretary Meredith almost mourns because he does not worry. Yet worry can be seen in his dark face, and, seen, creates respect. Mentally, he has been unconscious of anxiety; physically, he bears the scars of battle, but only a studied view reveals them. No man can fight and escape unhurt.

Noise Isn't Energy

THEN, to his favor, as a borrower destitute of collateral, came cheerfulness, modesty and quietness as auxiliaries. Plus energy. Noise is not energy, except in rolling-mills and among machinery. But there is no need of dwelling on that.

Also plus enthusiasm. Nor is there any good in demonstrating another common problem in human arithmetic. Therefore, young Mr. Meredith could and did keep the presses going. The paper dealer was persuaded. The man with ready money yielded.

But there had to be something more—and that, a love for trading, for bargaining. And where there is love, there also is capacity. The half-dollar of the village blacksmith lingers in the Meredith memory. Cutting the

neighbor's oats is even yet a victory. The two dollars weekly—earned for himself—and the privileges of the college kitchen were symptoms of a dominating propensity.

And now that he is Secretary of Agriculture? Can he bargain? He hopes so. With the people, by giving them the worth of the taxes they pay to support his division of the Government.

"They," he said, meaning the people, "supply us with money. In return we supply them with service—that is all we have. It is the goods on our shelves, the product of our factory.

"Furthermore, it must move—to the public.

"The Department of Agriculture ought to be of the highest value to all of our people. That is the one idea that is now in my thoughts."



© Underwood & Underwood.

A photograph of Mr. Meredith taken the day he assumed his new duties in Washington.

The sound business judgment of 49,000 executives

SIT down for an hour today in the office of a corporation executive. Watch him work.

What is it that impresses you?

The ease with which he gets his business done. He seems to make decisions almost instinctively. His every move and utterance are eloquent of sound business judgment.

And many a man, watching such a successful executive, has wished vainly that this gift of decision were his.

Yet it is not a gift. There is no mystery about it. Those very executives would be the first to tell you that the greatest factor in business judgment is *training*—nothing more.

Thousands of men have, by their own initiative, created business judgment within themselves.

Follow the example of these successful men

49,000 executives—already successful—have placed so large a value on the added business judgment which comes with training, that they have enrolled for the Alexander Hamilton Institute's Modern Business Course and Service.

Can there be any better testimony to the value of an institution than the fact that 49,000 men who had already arrived, have turned to it for the training that will carry them even farther?

17,084 Presidents have enrolled
3,596 Vice-Presidents have enrolled
3,352 Treasurers have enrolled
7,072 Secretaries have enrolled
15,160 Managers have enrolled
3,366 Sales Managers have enrolled.
49,630 Executives

The man who lets opportunity slip because he lacks con- fidence in himself

IN every office there are restless men—men who know they ought to be more successful than they are, who see opportunity passing them by because they have no training to reach out and grasp it confidently.

Is there something of this restlessness in you?

This advertisement may be the turning point in your career. The training that has given other men their ability to decide big things is open to you, also.

Thousands of men in every walk of life

FOR more than ten years the Alexander Hamilton Institute has been increasing the business equipment of men already successful; many thousands of men with the capacity for progress have enrolled.

It has found these men knowing one department of one business—sales or costs, engineering or advertising, factory, office or traffic management—and it has provided them with a knowledge of the underlying principles common to all departments.

What sets a man apart for progress? Sure judgment and unhesitating self-confidence.

The basis of sure judgment and true self-confidence is an understanding of all the fundamentals of business.

The Modern Business Course and Service explains these fundamentals and shows how to apply them.

The kind of men enrolled

Among the men enrolled in the Institute are such leaders as:

H. D. Carter, General Manager, Regal Shoe Co.; Roy W. Howard, President of the United Press Association; William A. Candler, Secretary and Treasurer of the Coca-Cola Company; Francis A. Countway, President of Lever Brothers Co., makers of Lux and Lifebuoy Soap; Charles E. Murnan, Vice-President United Drug Company; and scores of others.

Begin to build self-confidence

HERE is a training that has helped many thousands of men to larger success and increased income; a training which is so valuable that 49,000 executives have enrolled for it. Surely such a training is worth your investigation, at least.

In a single evening you may get the facts. They are printed in a 116-page book "Forging Ahead in Business." Thousands of men have found in it the beginning of a new self-confidence. Send for your copy today.

Alexander Hamilton Institute

585 Astor Place New York City

Send me "Forging Ahead in Business" without obligation.

Name

Business Address

Business Position





Want a Profit Builder?

We are Profit Builders—Production Builders—Labor Turnover Diminishers. Have been at it ten years—our experience is at your call.

Sherman Rogers, in the *Outlook* of January, states:

"When the employer puts out the stark naked truth to his workers, the truth stripped of all camouflage, every worker will know that it is the truth and that the wild stories he has fallen victim to are false. In other words, he will know the gold from the dross."

We'll learn the *stark naked truth* about your human problems—and we'll counsel and advise you regarding the necessary changes which should take place in your actions, equipment, and policy. We'll dig into facts and *make things right*.

We'll tell the *stark naked truth* about economics, food, shelter, clothing—production quality and quantity—to your employees. Between you and us, we'll Americanize the plant and get things working right!

We'll counsel and advise both you and your workers—*personally*. The *stark naked truth* will bring about Increased Profits.

We Will Not Increase Your Overhead! We're waiting for your call!

SHERMAN SERVICE INC.

**Production Engineering
Industrial Co-ordination**

New York
2 Rector St.
Cleveland
Park Building

Chicago
208 So. La Salle
Detroit
73 State St.

Philadelphia
1211 Chestnut St.
New Haven
42 Church St.

Boston
10 State St.
Providence
10 Weybosset St.

St. Louis
314 No. Broadway
Toronto
10 Adelaide St., East



The Log of Organized Business

National Chamber Expansion

ORGANIZATION of an Insurance Department is announced by the Chamber of Commerce of the United States, with M. B. Trezevant as its manager. The Insurance Department is one of several new departments which the Chamber is organizing to afford special facilities for dealing with subjects in important fields of American business. The new department will, on the one hand, familiarize itself with the peculiar problems of all kinds of American insurance and, on the other hand, will seek data from the point of view of business men who are users of insurance.

Mr. Trezevant is taken from the Chamber's Field Department. As a field secretary he has become widely acquainted with insurance men and insurance problems. For this reason his appointment to the new department is especially appropriate, and he has been in a position to give valuable advice about the way in which the new department should be developed.

Mr. Trezevant has had considerable experience in organization work. Before coming with the Chamber he was general manager of the New Orleans Association of Commerce. Prior to that time he had been advertising manager of the Atlanta System of the Southern Pacific Railway and Steamship Lines and also advertising manager of the New Orleans Railway and Light Company. He is a native of Memphis, Tenn., and was educated at the University of the South, Sewanee, Tenn.

New American Chamber

AMERICAN business men of Bolivia have organized the American Chamber of Commerce of Bolivia and have elected the following officers to serve the organization: Samuel Abbott Maginnis, American Minister to Bolivia, honorary president; Ross Hazeltine, American consul at La Paz, honorary vice-president; George A. Easley, president; L. M. Salisbury, vice-president; Victor L. Tyree, secretary-treasurer.

Standard Trade Definitions

ASET of definitions of export quotations and general recommendations for a standard of American export practices has been issued by the National Foreign Trade Council as a result of conferences held by representatives of the council with representatives of the Chamber of Commerce of the United States and other organizations. The National Association of Manufacturers, the American Manufacturers Export Association, the Philadelphia Museum of Commerce, the American Exporters and Importers Association, the New York Chamber of Commerce, the New York Produce Exchange and the New York Merchants Association participated. The conference recommended to manufacturers and exporters that wherever approved forms of export quotations are employed the forms defined by the Council be used as far as possible to the exclusion of other forms.

What's a Convention Worth?

ONE hundred conventions in a city have an actual cash value of \$3,600,000, says a

In spite of fogs and squalls, the good ship forges right along, thank you, and there are events aloft and below that are eminently worthy to be recorded

writer in the publication of the Kansas City Chamber of Commerce. This is figured out by averaging the number of days of a convention as four and one-half, the average attendance as six hundred and the average expenditures for a delegate as fifteen dollars. But, says the writer:

"The expenditure of \$3,600,000 is in reality the least benefit the city obtains. Every visitor to Kansas City is a prospective citizen or a possible wholesale or manufacturing customer. Many large factories and commercial establishments have been located in a city first visited by the owners as members of some convention. Delegates sometimes purchase stocks and bonds of local enterprises."

The Washington Building

MEMBERS of the Building Committee of the Chamber of Commerce of the United States are hoping to have in hand at the annual meeting of the Chamber in Atlantic City, April 27 to 29, pledges for sufficient funds for the Chamber's new home to be built in Washington. Several states have been underwritten. Many cities have raised their quotas and reports are reaching the committee from cities agreeing to take their share.

Within the last few weeks through the good offices of the Pennsylvania State Chamber of Commerce, a committee has been appointed for Pennsylvania which has worked out plans for raising this state's share of the building fund. This puts the following states in the underwritten columns: Pennsylvania, West Virginia, Kentucky, Wisconsin, Nebraska, Oregon and Washington.

Summarizing the situation, Harry A. Wheeler, Chairman of the Building Committee of Chicago, says:

"The record shows not only a widespread interest in the project, but a positive desire and willingness on the part of the most important business man of each community to assist the committee in the prompt securing of its funds. I feel that it is worth while restating the reasons why we must make adequate provision for representation of American business in Washington. Economic and social legislation of the greatest importance is now under consideration and during the next few years such legislation will increase, while through executive action and many new experiments affecting business may be attempted.

"The Labor group has its machinery best in hand, and with its own building and highly efficient staff is able to exert a well defined and powerful influence. The Agricultural group, always possessing the ear of Congress and the Executive, has better fortified itself in the last few weeks by purchasing property in which to house its activities temporarily, while it is seeking a permanent site for its headquarters.

"American Business with the greatest

interests to protect, offers the least effective organization for its protection.

"I have tried to be a consistent observer of the Washington influences and my own impression is that the beginning of an effective influence in the interest of American business, lies in giving evidence to the country that the business interests intend to locate permanently at the National Capital, and

to provide themselves with a representative and an equipment that shall command respect, give evidence of permanency, and of at least a reasonable unity on the part of all the varied elements that make up the business life of the country.

"There is no blinking the fact that until such an impression gains ground in Washington, the business interests of the country will suffer more or less from inadequate legislation, that might have better safeguarded our needs had we been able to impress Congress with the determination to have our voice heard and heeded."

Conference in Mexico

THE United States-Mexico Trade Conference which was called by the American Chamber of Commerce of Mexico and held in the City of Mexico, February 11, 12, 13, and 14, was the first conference of this sort ever held in a foreign country under the direction of an American Chamber of Commerce. That it was held in Mexico, a country whose business stability has been in question, and that it was attended by so many representatives of American manufacturers and exporters, as well as Mexican producers and merchants, is declared to indicate that commercial conditions are growing better in Mexico.

This view is said to be supported by a report of the United States Bureau of Foreign and Domestic Commerce, showing that the export and import trade between the United States and Mexico for the year ending 1919 was greater by \$43,946,114 than the export and import trade between the two countries for 1918. The trade between the two countries in 1918 amounted to \$36,432,163 and, in 1919, \$43,946,114.

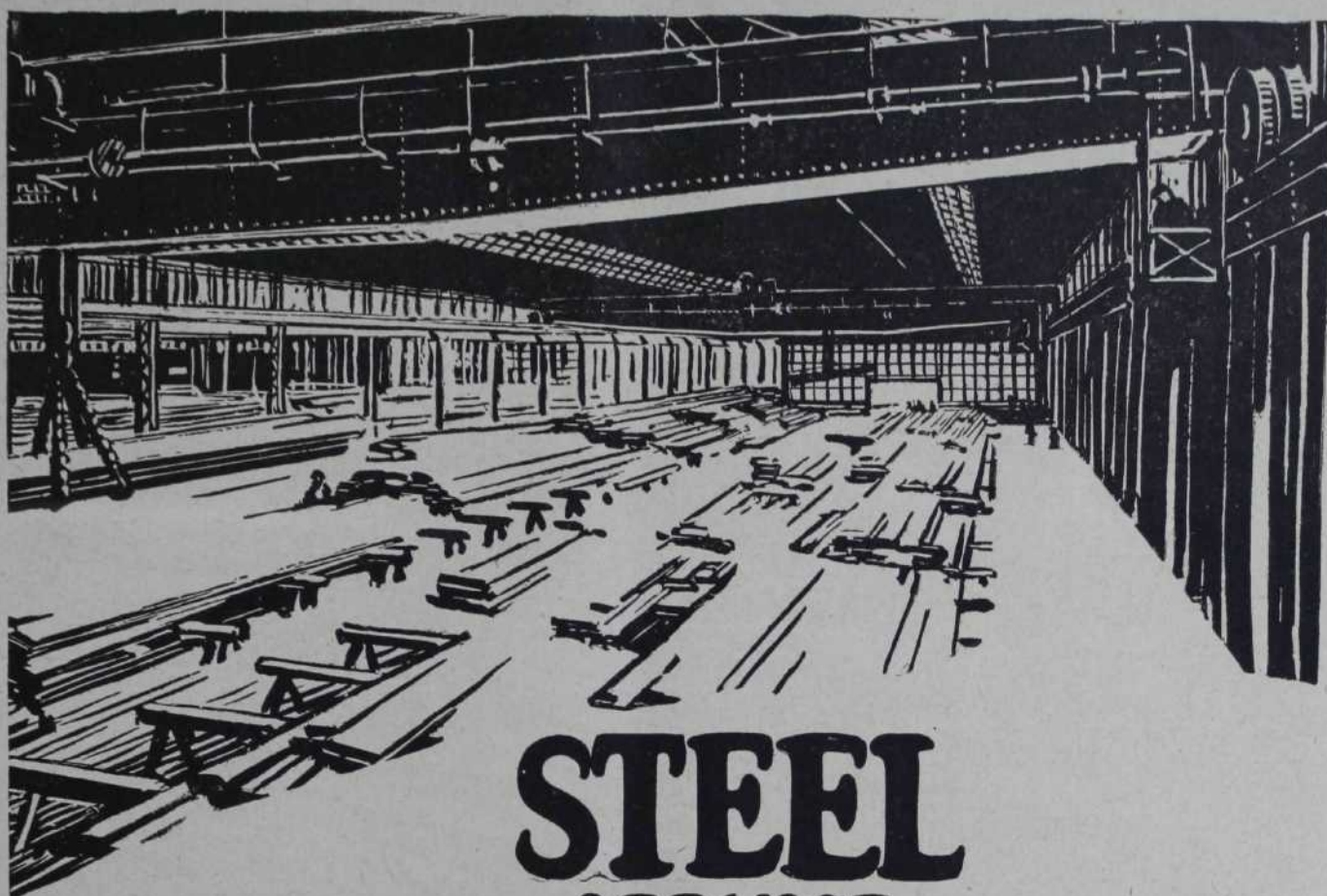
The American Chamber of Commerce of Mexico has been organized for two years and during that time has been encouraging the entrance of American manufacturers and exporters into the Mexican field. The consequence of this work has been that during these two years nearly one hundred American houses have gone in Mexican business, some of them by establishing branch houses in Mexico and some by choosing agencies from established houses in Mexico.

For an Open Shop

A DECLARATION in favor of the open shop and deploring efforts of radicals to obtain control of labor unions has been made by the Philadelphia Chamber of Commerce. The declaration embodies resolutions adopted by the Chamber's executive committee setting forth the belief of the executive committee that certain branches of organized labor have become dominated by radical elements which propose to overthrow established customs and to institute in their stead practices detrimental to the general good. The resolutions con-



This scene, repeated in five cities, indicates the magnitude of the Ryerson system of steel service.



STEEL SERVICE

HERE is the mighty show-room of the steel industry. From the distant mills where the steel is made, the currents of supply, in all the forms of bar and sheet and plate, bolt, nut and rivet, converge.

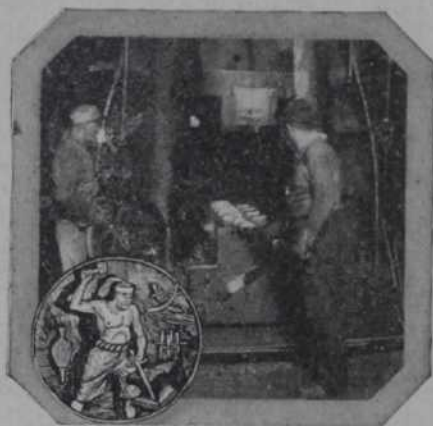
In vast corridors and lofty halls, steel in all its limitless diversity is stacked and piled.

Above, the restlessly gliding cranes give a sense of constant movement to the scene.

Steel in its manifold aspect. Steel for every purpose. Steel whenever, wherever steel of any kind or size or shape is sought for instant use.

JOSEPH-T. **RYERSON** & SON

CHICAGO DETROIT ST. LOUIS NEW YORK BUFFALO



FORGING

Ancient and Modern

SINCE the olden days when armorers of Damascus forged on anvils, with hand-hammers, their world-famed swords, the Art of Forging has developed into a gigantic modern industry. The smith and his puny hand-hammer have been supplanted by powerful machines that forge great crankshafts, as well as smaller pieces, in dies. The drop-hammer's mighty force has replaced the blacksmith's arm of brawn. And rightly so, for the process of Drop-Forging insures far greater strength and accuracy, better quality and speedier output in wrought metal parts than would otherwise be possible.

In the manufacture of Williams' Superior Drop-Forgings and Drop-Forged Tools is employed the most improved mechanical equipment, backed by expert engineering knowledge, technical skill and wide experience—the experience gained during nearly half a century of constant effort to maintain the high standard established for Williams' product.

J. H. WILLIAMS & CO.
"The Drop-Forging People"

24 Vulcan St.
Buffalo, N. Y.

24 Richards St.
Brooklyn, N. Y.

WILLIAMS' SUPERIOR DROP-FORGING

clude by putting the Chamber on record as "in full sympathy with the principle of the open shop in contradistinction to the closed shop, regarding the latter as being contrary to the established customs of justice, equality and fair play which have been recognized in this country since the foundation of the republic."

Ohio Demands Zoning

AN INSISTENT demand for a state zoning law has grown up in Toledo, where it is pointed out that valuable residential property is being ruined by the encroachment of business houses. Eight cities in Ohio of more than 100,000 population each, it is declared, are in need of statutes to supplement ordinances dealing with the question.

Many cities throughout the country have zoning laws. Their purpose is to encourage the erection of right buildings in the right place. They protect the man who develops his property along proper lines, and mean the substitution of an economic, scientific, efficient community program for wasteful and haphazard growth.

Fake Stock Sales

THE Erie, Pa., Chamber of Commerce has started a campaign against the selling of fake stock and against all unprofitable publicity and advertising schemes that are proposed in the city as well. It investigates for members proposals of sale of unverified securities and examines and reports on propositions for publicity and advertising.

Owing to failure of passage of a Blue Sky law in Pennsylvania, the Chamber declares the only protection against fake stock schemes lies in publicity. The Chamber hopes to obtain aid for its work, however, from the city council of Erie and will ask for an ordinance to restrain the activities of sellers of stock who have failed to produce satisfactory evidence of the standing of their companies.

Industrial Welfare

THE new community service bureau of the Harrisburg, Pa., Chamber of Commerce is declared to be receiving wholehearted support on the part of industrial establishments in the city. The bureau is at the service of members who desire to utilize it. The services consist in providing healthful recreation for working men and women and in stimulating interest in their work. A part of the bureau's program includes community songs during the noon hour, and, in the evenings, orchestral concerts, vocal and instrumental solos and recitations.

Continuous Membership

MANY commercial organizations now are adopting the plan of continuous membership solicitation. The Seattle Chamber recently announced the organization of a Ten O'Clock Club, with a membership of twenty, whose job it is to solicit new members every Friday from ten o'clock to noon. At noon the committee reports on its work at the Members Council luncheon. On obtaining ten members for the Chamber a member of the committee is graduated and becomes an alumnus. He then is exempted from further membership solicitation.

Helping the Farmer

A SUCCESSFUL community market is run at Adrian, Mich., to which farmers from 30 miles around the city take their produce for sale at the best market prices. The com-

—but the roof didn't burn

IF only the walls had been as faithful as the roof! But no—the roof was Johns-Manville Asbestos that smothered the fire—actually fell on it, blanketed it, literally choked it to death!

And so not only the neighborhood was saved, but even the property next door.

The walls were wood—not brick or terra cotta like most modern buildings, or even like the modest house adjoining.

But despite this, Asbestos Roofing here went one step beyond the greatest claim ever made for it. Here in this and hundreds of other instances, Asbestos Roofing not only protected from communicated fire—but smothered its own fire as well. Not satisfied with policing the building-top for years against the weather—it suddenly turned fireman and put out the blaze beneath it. And there it hangs, mute, practically intact, a silent testimonial for fire safety.

Surely, new safety standards await our communities with the growing prevalence of this staunch roofing.

Surely there is something that transcends the commercial in preaching Johns-Manville Asbestos Roofing from photographs like this one—for a text.

H. W. JOHNS-MANVILLE CO.

New York City

10 Factories—Branches in 63 Large Cities

For Canada
Canadian Johns-Manville Co., Ltd.,
Toronto

Johns-Manville Asbestos Roofings, Asbestone, Johns-Manville Standard and Colorblende Asbestos Shingles, Johns-Manville Asbestos Ready Roofing, Johns-Manville Built-up Asbestos Roofing, Johns-Manville Corrugated Asbestos Roofing.



Through—

Asbestos

and its allied products

INSULATION

that keeps the heat where it belongs

CEMENTS

that make better walls, roofs, pipes

ROOFINGS

that cut down fire risks

PACKINGS

that save power and heat

LININGS

that make houses safe

FIRE PREVENTION PRODUCTS

JOHNS-MANVILLE

Serves in Conservation



Served by a vast network of steel rails—converging into and paralleling its wonderful harbors—New England transports the tremendous output of its 48,568 mills and factories to the “four corners of the earth.”

*Ask us to send you our Booklet
N. B. 357 describing seven select-
ed New England Preferred
Stocks, yielding*

6½% to 8%

Hollister, White & Co.

INCORPORATED

50 Congress Street
BOSTON

Co'ar & Church Sts.
NEW YORK

North American Bldg.
PHILADELPHIA

Providence, R.I. Springfield, Mass. Pittsfield, Mass. Portland, Me.

munity market moves this produce by truck to selling points, transporting much of it to Detroit and Toledo. Farmers and business men constitute the shareholders.

Activities in Missouri

AN active campaign is proceeding in Missouri with a view to having local chambers of commerce take the leadership in promoting building and loan associations. State officials are giving their time to direction of the movement.

Successful Conventions

SUGGESTIONS for holding successful conventions are advanced by the Agricultural Publishers Association in a bulletin just put out under the title, “Speakers’ Bureau and Convention Guide.” The booklet emphasizes the importance of putting forth an effort to make the opening meeting of a convention a good one and stresses the value of holding to schedule with regard to starting meetings on time and in limiting speakers to the time allowed them.

Selling One’s City

DENVER must be sold to its own people in the opinion of the Manufacturers’ Bureau of the Civic and Commercial Association of Denver. Charles C. Gates, chairman of the bureau, declares this work will be the first task this year of his staff. The industrial possibilities of the city must be so impressed on the citizenship that there will be an awakening to the industrial future of the place, Mr. Gates says.

New Orleans Progresses

NEW Orleans is to have a modern Statistical and Research Bureau to serve as a clearing house for all information relating to the city’s growth, resources and progress. A sum of \$10,000 necessary to establish the bureau will be raised by delegates to the Members’ Council of the Association of Commerce. The bureau will be organized along the lines of the Association’s Joint Traffic Bureau.

Boston’s Fashion Week

BOSTON’S retail merchants put forth unusual efforts this year to make their simultaneous opening during the week of March 7 a success. The largest department stores and shoe stores participated. Each store, aside from having good window displays and a display of the latest styles, attempts in a spirit of friendly rivalry to outdo all competitors in way of holding contests of various sorts. Fashion week in Boston always draws large crowds and stimulates a keen interest on the part of the public.

Planning Commission

ATLANTA is to have a City Planning Commission of twenty-four members to be named by the Chamber of Commerce, the Mayor and the Board of County Commissioners. It will prepare a program of expansion and improvement for the city. The commission will comprise men and women thoroughly representative of all the city’s interests and who are familiar with conditions.

Work for Hospital

A CAMPAIGN to raise \$300,000 for the purpose of building a municipal hospital will be undertaken by the Butler, Pa., Cham-



Is it worth $16\frac{1}{2}$ cents a day to you to know that your cost figures are right? To know that your invoices are right? To know that your bills are checked accurately, payrolls figured correctly, chain discounts, interest and all your other figure-work positively correct?



Is Accuracy Worth this Much to You?

At a maximum cost of $16\frac{1}{2}$ cents a day the Monroe Calculating Machine will do all your figure work for you. It will not only do your adding but multiplies, divides and subtracts as easily as other machines add. Surely $16\frac{1}{2}$ cents a day is a negligible cost when you measure the value of the Monroe in terms of accurate figure-work, the elimination of costly errors, and the extra time it gives your employees for other work.

The explanation of the Monroe is simple. It finds the answer by the simple method—direct from problem to result. That is why, even with an inexperienced operator, the Monroe outfigures other calculating machines. That is why you can actually multiply and divide on the Monroe at the same time, in one action—by a few

Bethlehem Steel Co. says:

"... the services we are receiving from the Monroe Calculating Machine are all that can be desired in our particular line. It has come up to all our expectations and has expedited the handling of our work—so much so—that we now feel we cannot do without it."

easy turns of the crank. A constant, visual proof of accuracy is always before you on the Monroe. Every factor of your problem is shown either on the Monroe keyboard or in the Monroe proof dials. On the Monroe you can see as you go that your answer is correct.

Convince yourself. See the Monroe in action on your daily business problems in your own office: chain discounts, cost finding, figuring interest, payrolls, extending invoices, etc. If it's worth $16\frac{1}{2}$ cents a day to have your figure work accurate

it's worth a two-cent stamp to mail the coupon below and learn conclusively why the Monroe means

—faster figuring

—absolute accuracy



MONROE Calculating Machine

Monroe Calculating Machine Co.
Woolworth Bldg., New York, N. Y.
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The "SHOW ME" Coupon—Mail it today

Without obligation to us, please send your "Book of Facts," showing how the Monroe will save time in the figure work of our business.

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Firm Name
Your Name
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Woolworth Bldg., New York

What You Want to Know About Correspondence Schools of Accountancy

Just a few years ago, the average business man, if asked to pass judgment on the value of correspondence instruction would have replied with the all-inclusive word—"bunk."

Today the business man is not only awakening to the fact that there are two kinds of correspondence schools but also that it is decidedly to his interest to be able to distinguish one from the other.

The questions below are typical of those which are constantly being asked us. We feel that the subjects covered are sufficiently important to the business world as a whole to warrant this public presentation.

Q. What is the International Accountants Society?

A. The International Accountants Society, Inc., is an educational institution, teaching accountancy exclusively by the correspondence method exclusively. It was first organized in 1903 and has been continuously and successfully operated from that date until the present. After its removal from Detroit to Chicago a few years ago, it was re-incorporated in Illinois as a subsidiary to the Tanner-Gilman Schools, Inc. It occupies two substantial buildings on Michigan Avenue, Chicago. Its Consolidated Balance Sheet as of December 31, 1919, showed a net worth, consisting of capital stock, surplus and reserves, of over half a million dollars. Its capital stock is controlled by practicing Certified Public Accountants.

Q. Can a student actually gain a practical working knowledge of accountancy through I. A. S. training?

A. Yes. The course was written entirely by practical, practicing accountants and business men for the primary purpose of teaching practical accounting technique and procedure. It does not merely discuss principles—it applies them. The examination problems are based on practical business situations and transactions. Our plan of continuous lesson revision keeps the course always up-to-the-minute. The instructors who grade the examinations are all practicing Certified Public Accountants, devoting part of their time to practical accounting work and the balance to the educational

needs of I. A. S. students. They are not merely teachers of accounting—rather they are practical accountants who teach—and the practical viewpoint demanded of them by their clients is reflected in their attitude toward students.

The results of such a policy are obvious. More C. P. A. degrees have been obtained by I. A. S. trained men than can be claimed by any other educational organization. This is a noteworthy fact and one of which we are proud. But we are even more proud of the many, many others who have won substantial successes with corporations, who have risen from common clerks and bookkeepers to comptrollers, auditors, and other important executive positions.

Q. It is common belief that correspondence schools are merely camouflaged book-sellers and that they have taken the guise of institutions of learning in order to sell books at several times their real value. Is this true of you?

A. In the first place, we do not sell nor require our students to buy any books or any other material from us whatever. All of our lesson material is in loose-leaf form suitable for binding in a permanent binder which we furnish without extra charge. In the second place, the lesson material is no more than a foundation for patient, thorough teaching service furnished by a large staff of capable practicing Certified Public Accountants. It is this sincere teaching service that makes ours a real educational institution.

Q. It is commonly believed that correspondence schools purposely make the work simple while the student is paying for the course and then make the lessons so difficult that he is almost sure to get discouraged and quit. Is this true of you?

A. The facts which are a matter of record furnish the best reply.

We have a special department devoted to sustaining the student's interest—a department whose duty is to persuade every student to study regardless of whether his tuition is fully paid or delinquent. Every lesson, every letter to students, the entire policy of the institution is carefully directed toward the accomplishment of this purpose.

This is not alone a matter of pride or conscience, but a profitable business policy. We know by experience that satisfied, successful students and graduates are our most profitable business getters. Furthermore, most of our students pay on a monthly plan and it is unusual for a student to pay his tuition in full before he completes his course.

Q. It is a common impression that the instruction furnished to correspondence students is limited to the grading of his papers by low-salaried clerks according to standard answers—is your method any different?

A. Yes, radically different. In the first place, we carefully avoid examination problems or questions which can be answered directly from the lesson itself. The student is taught to think and analyze for himself. He must do original work which cannot be properly tested, graded or judged by non-professional instructors.

When his work is received by us it is first "audited" for accuracy by an especially trained clerical staff, according to a rigid, predetermined procedure.

It is then passed to a member of our staff of C. P. A. instructors each of whom is

- (a) a Certified Public Accountant.
- (b) a practicing member of his profession.
- (c) with proved ability as an instructor.

By him the paper is examined, criticized and graded, solely on the basis of the student's grasp of the work. If required, a comprehensive letter is dictated and additional work required from the student until the subject is thoroughly mastered and then, and not until then is the student permitted to proceed with the regular work of the course. Every student is especially urged to con-

sult the members of our C. P. A. staff on any problem of his own work. As a result, a considerable portion of their time is devoted to furnishing expert advice and professional service from which both the student and his employer directly benefit. It is significant that this special service, if it had been obtained on the usual per diem basis, would frequently cost more than the entire tuition fee.

Q. Does not your propaganda tend to make men dissatisfied with their present positions by holding out the lure of greater rewards in other lines of work?

A. On the contrary, our central purpose is to make every student more valuable **right where he is**. Our first concern is to teach general accounting in its fullest, broadest aspect. When that has been accomplished, the student is given his choice of a number of Elective Courses (original with us), enabling him to specialize in **any** branch or specific application of accountancy upon which he may decide. The major proportion of these Electives are built to develop corporation accountants and executives rather than public accountants.

Q. Why are you so concerned about bringing these matters to the attention of business men in general?

A. Because we know that your interests and ours are identical. You need accountancy trained men. So does every business concern. There is a shortage of these men now and the demand is increasing every year. It is our business to train **your** men for **your** work. And we need your full confidence and co-operation in order to accomplish the best results.

Q. Are you willing to submit to a thorough examination of your methods in order that all your claims may be fully verified?

A. We will not only welcome the opportunity but will go to any lengths which you may desire to accomplish this result. We prefer a personal visit of inspection but if this is inconvenient, we shall be glad to send you full descriptive literature, answer any specific questions, furnish you with specimen lessons, or upon the request of any responsible executive we shall be glad to make arrangements for an inspection of our entire course entirely at our risk and at our expense. Address: The International Accountants Society, Inc., (The Oldest Correspondence School of Accounting with the Newest Course), 2622-30 S. Michigan Avenue, Chicago, Ill.

The MEASURE of a COMMERCIAL CENTER

IN THE DISTRICT commercially tributary to CHICAGO are 13,599 banks; within a night's ride there are 10,000.

THESE THOUSANDS OF BANKS attest the activity of the productive MIDDLE WEST where the yields of farm and field are supplemented by those of forest and mine, of workshop and factory.

THROUGH CLOSE ASSOCIATION with thousands of these banks and with thousands of merchants and manufacturers in this productive section, THE CONTINENTAL AND COMMERCIAL BANKS participate in vitalizing the credit created by this business activity and making it of use to the entire nation.

The comprehensive service of the Continental and Commercial Banks is told in a booklet which will be sent on request.

***The* CONTINENTAL and
COMMERCIAL
BANKS
CHICAGO**

RESOURCES MORE THAN 500 MILLION DOLLARS

ber of Commerce in May. The campaign will extend throughout the county in which Butler is located, and it is planned to erect the building as a memorial to soldiers and sailors of the county who lost their lives in all of the country's wars.

Open Shop in Dallas

AN Open Shop Association has been formed by the Dallas Chamber of Commerce, with a membership that has reached nearly 4,000. Before the organization was formed some eight million dollars worth of construction work was tied up by labor troubles. The Association maintains offices at the Chamber of Commerce. It is reported that labor conditions have greatly improved.

Getting Together

CLOSE cooperation between the business men of Toledo and farmers of the surrounding country has been pledged as a result of efforts to bring the work of the two interests into closer harmony. Members of the Toledo Commerce Club and the Lucas County Farm Bureau recently at a joint banquet agreed that the interests of all concerned would be better served by mutual efforts to aid each other.

Nutritional Clinics

THE Saint Paul Council of Home Defense has started two nutritional clinics under direction of the public schools, in cooperation with child specialists, school physicians and nurses and the county public Health Association. Children found to be under weight are instructed in proper food habits, and the cooperation of mothers is gained through home visits. Funds for carrying on the work are furnished by one of the city's shops.

School for Retailers

CLASSES in retail selling are conducted by the Seattle Retail Trade Bureau. Five courses are given as follows:

Retail selling: a course for salesgirls who wish to increase their ability.

Textiles: a study of raw materials, method of manufacturing and analysis and testing of materials.

Retail store problems: a survey of buying, selling, advertising, financing and personal control.

Organized buying and selling for department heads and store display.

Disputes in Industry

A REFERENDUM on industrial relations has been sent out to its membership by the Fall River, Mass., Chamber of Commerce. Three questions are put to a vote as follows:

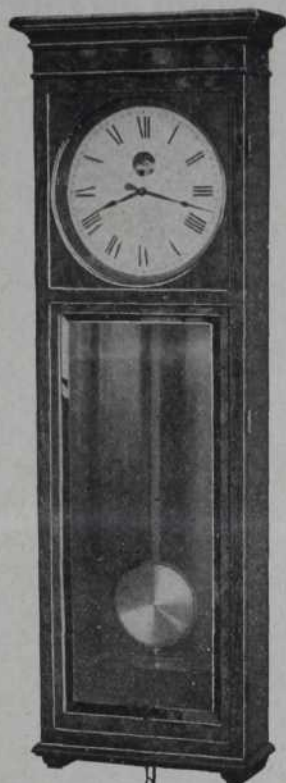
"Shall we regard the interests of the community as paramount, transcending that of any individual or group of individuals whether composed of employers, employees or corporations?"

"Shall we regard it as the Chamber's duty, as a community organization, to extend its good offices and, if necessary, to take the initiative to adjust an industrial situation when it becomes evident that such action is imperative to preserve the public welfare?"

"Should the Chamber interest itself in plans and methods which may tend to avoid industrial disputes?"

Checkmating the Reds

A "Fire Insurance Americanization Movement" has been started by the National Board of Fire Underwriters to combat radical



MASTER CLOCK which insures perfect synchronization of time throughout your entire plant. This clock is entirely automatic in operation—self-winding and electrically operated. One Master Clock controls any desired number of secondary clocks and time devices.



PROGRAM INSTRUMENT for automatically blowing whistles, ringing bells, etc., at specified periods for work signals.



IN-AND-OUT TIME RECORDER SYSTEM. Furnishes an exact, non-tamperable record of time of arrival and departure of each employee. The number of employees these machines care for is limitless.



JOB TIME-RECORDER FOR COST-KEEPING. Prints time in hours and decimal fractions of an hour, or in hours and minutes, as you prefer, on any size or style of ticket, automatically deducting lunch period, etc.

OFFICE TIME-STAMP for stamping time and date of receipt of letters, telegrams and documents of all kinds. The use of this machine definitely locates responsibility.

SECONDARY CLOCK for indicating time in various places throughout your organization. Contains no clock mechanism or delicate parts. Electrically controlled.

Time Leaks

It is the everyday Time Leaks in your plant that continue uninterruptedly, which may often spell the difference between profit and loss.

THIS period of business readjustment is going to call for a greater efficiency in your cost methods than ever before.

You acknowledge the ideal condition is to have your payroll represent 100% production labor, either direct or indirect. Are you timing the arrival and departure of employees in the department in which they actually begin production, or at the general entrance?

Do you now know exactly how much time is lost between jobs and why, and do you have a definite

division as between productive and non-productive time and an analysis of each?

Do you now have an absolute check on time of workmen employed on both day work and premium work within the same day? You recognize the importance of the correctness of this division.

Do you know how often and for what duration of time your machinery is out of order? Do your manufacturing reports show the efficient and the inefficient on given tasks?

A complete knowledge of these and many other similar facts is essential to the elimination of the profit leaks from your plant, and it can be obtained by the adoption of Stromberg Job Time Recorders.

Stromberg Job Time Recorders, "The Backbone of Any Cost System," are helping to solve the cost problems of thousands of efficiently managed concerns, both large and small—let them help to solve your problems too.

Without the slightest obligation, we will gladly have a representative, thoroughly acquainted with modern timekeeping and cost keeping methods, call to discuss your individual conditions. If we cannot show you where tangible improvements may be effected by Stromberg apparatus we cannot hope to secure your business.

Write today for Booklet NF descriptive of Stromberg Employees' In and Out Recorders, Job Time Recorders for Cost Keeping, Time Stamps, Program Instruments, Secondary Wall Clocks, etc. DO IT NOW.

**STROMBERG ELECTRIC
COMPANY**

600 S. Michigan Ave.

CHICAGO

Canadian Office: STROMBERG TIME RECORDER COMPANY OF CANADA, Ltd., 72 Queen St. W., Toronto, Ontario, Canada

THE
FIRST
NATIONAL BANK OF BOSTON

Collateral Service

Most banking institutions are safe as depositories for your funds. You call upon your bank, however, for extended service in other directions, and the institution which can offer you the most valuable collateral service is the institution with which it is to your advantage to do business. We extend to you the largest facilities in all lines of banking and trade, foreign and domestic. Consult our various departments.

Deposits - - - - - \$171,000,000
Resources, over - - - - - \$280,000,000

Branch at
Buenos Aires
Argentina

propaganda. "There is a diminishing class of people," says a statement put out by the Underwriters, "which believes the whole propaganda of disloyalty is a harmless flash in the pan, and a steadily increasing number which realize the present situation to be a serious one."

"The fire insurance business finally reached the conclusion that the time had come when a general exhortation to other people to do something should take the form of actually doing something. It also believed this action should begin at home. Accordingly the National Board of Fire Underwriters, an organization representing 162 of the largest stock fire insurance companies, as the national spokesman for these interests, took steps to secure enrollment pledges from local agents all over the United States of defensive and constructive loyalty. This was the inception of the Fire Insurance Americanization Movement."

A Southern Fair

AN ANNUAL Southern Livestock Show is being promoted by the Macon Chamber of Commerce. It is planned to bring together at Macon all blue ribbon winners in state, district and county fairs that are held south of the Ohio and east of the Mississippi. It is proposed to hold the fair at the Georgia State Fair Grounds in mid-winter.

The fair will give southern breeders, who are comparatively new at the business, an opportunity to show their cattle on a basis with others who have not been breeding over a long period of time, whereas the International Show at Chicago forces southerners to show against breeders who have had much more experience at the business.

Emporia's Farm Bureau

A DIRECT saving to the country's farmers of \$23,775 during seven months is pointed to by the Emporia, Kans., Farm Bureau at a total cost for the bureau's maintenance of only \$3,394. Aside from its work in helping control oak smut, vaccination of cattle, holding wool shows and tractor demonstrations and other things, the bureau organized a number of breeders' and herders' associations. Credit is given to the Emporia Chamber of Commerce for its aid in the work.

Worthless Solicitations

THE Cincinnati Chamber of Commerce is one of those which is trying to protect its membership against fraudulent and worthless charity and advertising solicitation. The Chamber has had printed cards certifying that certain solicitations have its approval, and worthy solicitors are provided with them. A large card is printed for hanging in the offices of business concerns which sets forth that no solicitations will be considered which do not have the Chamber's approval.

Merchant's Market Week

OUT-OF-TOWN merchants were brought to Omaha in large numbers during Spring Merchants Market Week, held February 23 to 27.

Uniting Civic Effort

THIRTY civic organizations in Erie, Pa., met recently at the call of the Board of Commerce to discuss a better coordination of effort when the activities of the various bodies are directed along similar lines. It was decided that frequent meetings should be held in the future for planning cooperation of effort. It was shown that duplication of work could be prevented, and by subdivision of work each group could care for the interests it was best fitted to deal with.

Tycos Temperature Instruments

Solving Industry's Common Problem

POSITIVE, reliable temperature indication, recording and control affect vitally all the process work of modern industry. Without these factors quantity production is practically impossible.

But a lifetime devoted to the solution of special temperature problems has resulted in the development of **Tycos** Temperature Instruments to a point where they have become the standard in every line of work.

A Few Products:

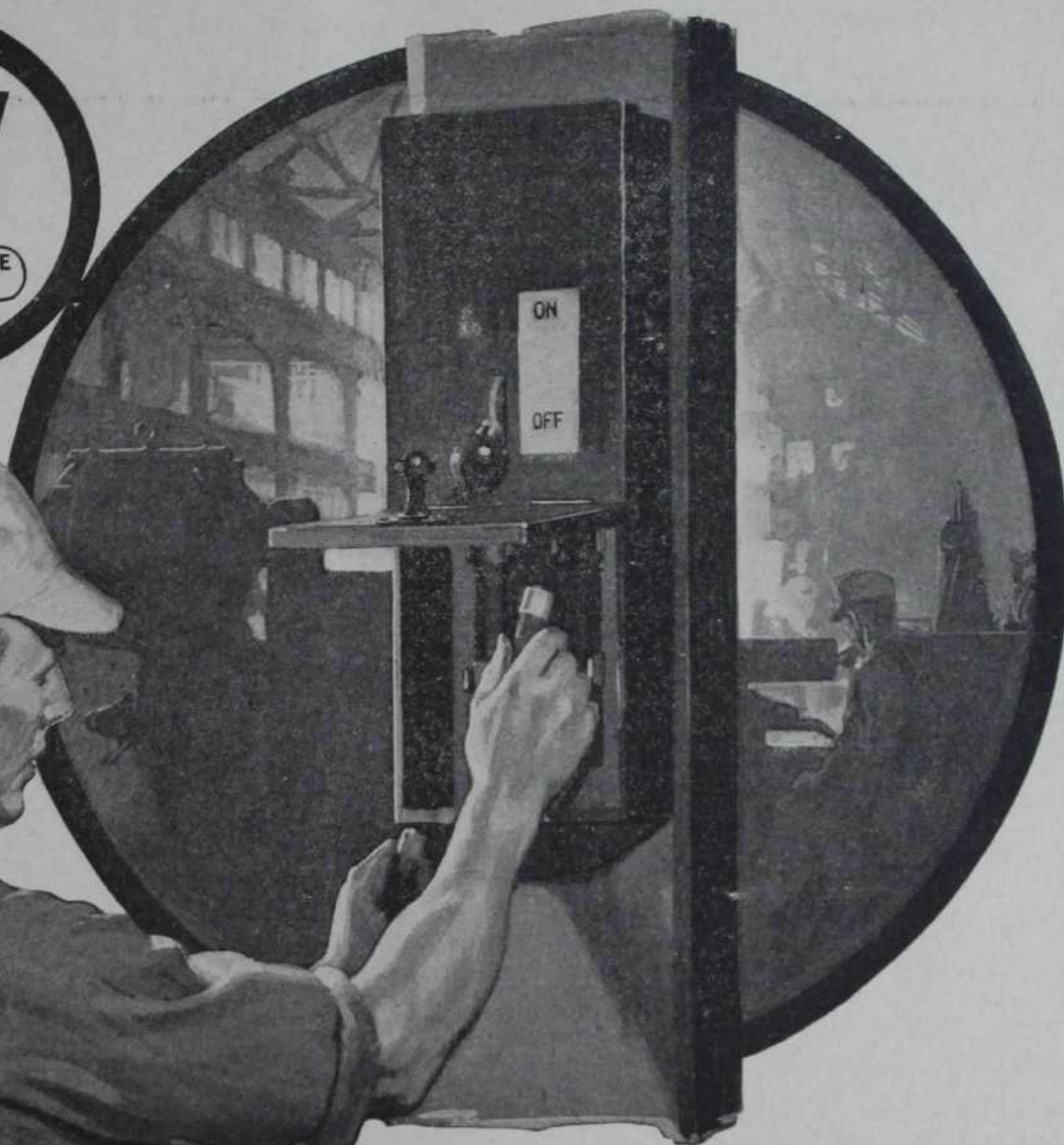
Straight Stem Thermometers
Angle Stem Thermometers
Capillary Recording Thermometers
Capillary Index Thermometers
Thermoelectric Pyrometers
Recording Thermoelectric Pyrometers
Fery Radiation Pyrometers
Temperature Controlling Devices
Time Controls
Compasses
Capillary Electric Contact-Temperature Controls
Laboratory Engraved Stem-Thermometers
Hygrometers (wet and dry bulb)
Indicating and Recording Thermographs
Coal Oil Testing Instruments
Hydrometers
Vacuum Gauges
Aneroid Barometers

COMPLETE INFORMATION
ON REQUEST

(GG-1)



Taylor Instrument Companies
ROCHESTER, N.Y.
There's a Tycos and Taylor thermometer for every purpose



What is SAFE?

Not 25 per cent, 50 per cent, or even 99 per cent—but 100 per cent—that's *SAFE!*

Westinghouse-Krantz Auto Lock Safety Switches are the 100 per cent kind. They stand for Safety First, last, and all the time.

Westinghouse-Krantz Enclosed Switches have been approved by the Underwriter's Laboratory and placed in classification "A," which means "accomplished safety."

If you do not have the 1920 Westinghouse Catalog of Electrical Supplies, send for the separate catalog of the Westinghouse-Krantz line.

Westinghouse Electric & Manufacturing Company
East Pittsburgh, Pa.

Westinghouse

SWITCHES AND OTHER "SAFETY FIRST" DEVICES



Unerring Speed at the City's Threshold—The P.A.X.



AS YOUR train roars into the great railway terminal, threading its way through the maze of traffic that flows through the city's threshold, speed, and supreme accuracy, are imperative in transmitting the orders that safely guide each swiftly rolling wheel along the proper rail in the vast network of tracks and switches.

The Automatic Electric Services of the P. A. X. (Private Automatic Exchange) are supplying these vital factors in the operation of the large modern railway terminals at New York, Detroit, Pittsburgh, Kansas City, Dallas and elsewhere.

Constantly, with unfailing accuracy and lightning speed, the automatic telephones of the P.A.X. connect each man with every part of these great institutions.

The code call of the P.A.X. locates the individual instantly, wherever he may be, and puts him in touch at once with those who seek him.

The emergency alarm of the P.A.X. is always ready to give instant notice of a crisis, and summon help.

The conference wire of the P.A.X. brings together without delay, department heads and officials, enabling them to hold a round-table discussion, via wire, with each man at his desk.

These, and many other related and co-ordinated services, are supplied by the P.A.X. over a single pair of wires—all operated and controlled by a simple dial.

The safety and comfort of tens of thousands are daily served by the P. A. X.—and in thousands of America's leading industrial and commercial organizations engaged in every form of business, its automatic electric services are helping vitally to speed production and cut down costs.

The value of the P.A.X. to your organization will be proved by investigation. A booklet, giving further details, will be gladly sent on responsible request.

AUTOMATIC ELECTRIC COMPANY

Dept. 165 1001 Van Buren Street
CHICAGO



Among thousands of American industries this dial has become the symbol of perfected organization. It controls all the automatic electric services of the P. A. X.—paging, fire alarm and watchmen service, conference and interior telephone calling.

The Cure for High Prices

There is no secret about the remedy; business is to meet and decide upon the manner of its application

THE American business world sees in increased production the way out of the present abnormal price situation, and the only way. So important is this regarded as a means of restoring normal conditions the Chamber of Commerce of the United States will make its eighth annual meeting, to be held at Atlantic City, April 27 to 29, an "Increased Production Convention."

The Chamber proposes in this gathering of representatives of more than 1,200 industrial and business organizations to get at the very root of ways and means of stimulating the basic industries of the country to energetic activity. Every subject taken up will be discussed from the point of view of national and world production.

The general program will be divided up into sections, the first day to be devoted to a discussion of the Government in relation to production, under the following subdivisions: anti-trust laws, taxation. The next general subject will be transportation in relation to production, and the third the part of international finance in production.

Considerable space is given to agricultural production. The Government's part, the farmer's part and the part of the business man will be presented. Labor in relation to production also forms an important part of the program. This subject will be discussed by one of the leaders of labor as well as from the employer's viewpoint. Research and efficiency have a place on the program.

Aside from the general sessions there will be group meetings, arranged along the lines of the divisions of industry. These groups will comprise the following: transportation, foreign commerce, finance, civic development, industrial production, domestic distribution, insurance, publishing.

This approximates the comprehensive view the National Chamber is taking of the situation and shows how significant is the work ahead for the meeting. Undoubtedly the findings of the representatives of business assembled at Atlantic City will crystallize the growing convictions of Americans into action of the most necessary sort.

"The question of increased production," says Ernest T. Trigg, vice-president of John Lucas and Company, of Philadelphia, "is second to none in importance to the people of the United States at this time. The discontinuance of hostilities found our stocks of materials depleted, our general standards of living advanced, our individual savings increased, our willingness to labor diminished, our sense of thrift demoralized and our workers insufficient in number because of recent limited immigration. Early in the year 1919 we all anxiously desired the resumption of the operation of the law of supply and demand. It is a serious question how soon this economic principle will apply as it did prior to the year 1914, for in these latter days there has developed among us a tendency to take by force or cunning that which we cannot earn.

"A campaign for increased production is urgently necessary; but to be successful it must carry with it the conviction that there is, and must be, a perfect balance between production and consumption; that no solution of our present economic problem can be reached by successive advances in wage

rates and the cost of commodities; that unfortunately there are still in our republic some persons who are guilty of profiteering, which under present circumstances is a heinous crime, since it tends to undermine our very civilization; that curtailed effort and strikes on the part of labor increase costs, and that labor must be able with the returns from its work to meet the cost of living, whatever it may be. There is urgent need for a nation-wide campaign for increased production."

Again, John L. Powell, president and treasurer of the Wichita Wholesale Grocery Company, takes the following view:

To Abolish Inactivity

THE world problem today is not to decide if increased production is necessary. That is universally conceded. Neither is it to discover or create the essentials to supply a world suffering for the necessities of life and the ability to fill the void caused by the waste of a world war, but rather how to induce or compel the people everywhere to replace much of inactivity and inefficiency with energetic, sustained efficient action, in order to create essential production.

"The earth is still as productive, the mines as abundantly supplied, the forests of the earth still as ample as they were before the war; and there are men and women amply sufficient, despite the losses of the war, to utilize all these natural resources to abundantly supply every human being on the earth with all the necessary comforts of life and to continue in an adequate way all the public activities, domestic, industrial and commercial, that the world desires and demands, if peoples everywhere can be induced to give to the world at this crisis the benefit of a full, honest day's productive effort.

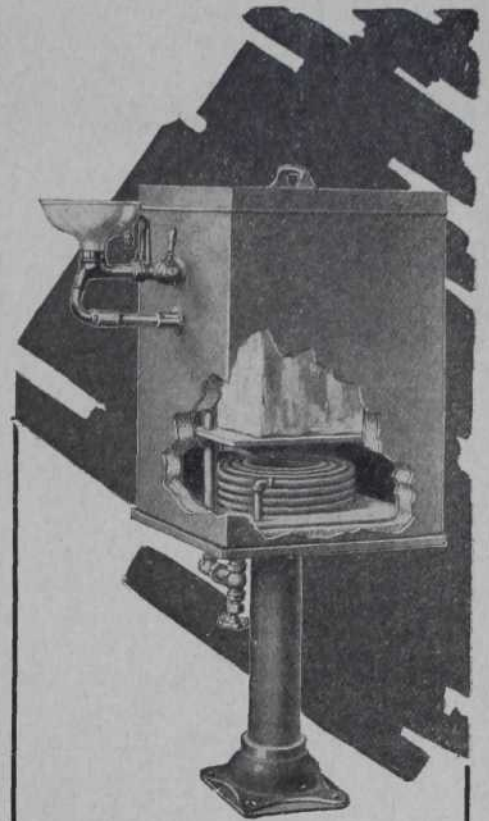
"If, by coordination of effort or by legal process, we can drive the slacker, rich or poor, into maximum productive activity, we can rapidly bring the world back to normal conditions."

Finally, A. B. Farquhar, of York, Pa., has given us his appraisal of the situation in the following paragraphs:

"Comfortable and even luxurious living, reasonably and justifiably advancing standards, are not to be despised. They are to be had only at a price. That price—the price even of existence for many people—at present, more than at any other time in the experience of the generation now living, is work, increased efficiency, greater production.

"We have seen that an abundance of money is no substitute for an abundance of goods. Not only was the great war through which we have just passed, the effects of which will outlast this generation, immensely and directly destructive of those things which add to the comfort and well being of mankind, but the constructive efforts of myriads of workers during the four and a half years of conflict, which normally would have supplied current needs and added the usual quota to the world's wealth, were turned from the products of peace to those of war.

"The destruction of material wealth and the impoverishment of society have been tremendous. This immense double loss, entailed by destruction and loss of production, must be made up before the economic life can function normally once more."



Why a Square Water Cooler Uses Less Ice

The water cooler as a necessity for production maintenance during the summer months has proved its case. It is the selection of the *right* design of a cooler that demands your consideration.

Jewett Water Coolers are designed and constructed so as to supply unlimited quantities of free-flowing *ice cooled* water. Because it is square the Jewett takes an entire cake of ice—it is not necessary to break it into small pieces as in filling a round cooler. Ice in big cakes lasts longer and cuts down the cost of maintenance.

Jewett Water Coolers

have many other commendable features—pure cork, 1½ inches thick, provides heavy insulation; many feet of coiled pipe give ample cooling capacity. Connects direct to the water supply, and is a year-round dispenser of healthful, sparkling water at *just the proper temperature*.

Give serious consideration to the type of water cooler that you install in your plant. Pick the Jewett and you will have efficiency, satisfaction, economy. Write us for our folders that go into a more thorough discussion of Jewett Water Coolers. Get all the facts.

THE JEWETT REFRIGERATOR COMPANY
Established in 1849

25 Chandler Street Buffalo, N. Y.

Sturtevant

PUTS AIR TO WORK

YOU frequently hear wonder expressed at the intelligence which man shows in getting natural forces to do his work.

It would be less conceited and more truthful to speak of man's extreme slowness to perceive the usefulness of these forces.

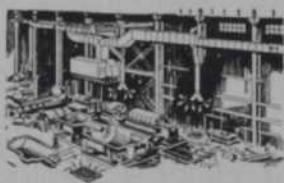
When electricity, steam, and the earth's chemical and physical forces seemed to early man but hostile devils, Nature was employing them as her trained servants. Nature used moving air as conveyor, as dryer or moistener, as purifier, as leveler, as forced draft, as heater or cooler, and as suction cleaner, when man could conceive of no implements other than his teeth and fingers.

Sturtevant imitates Nature in putting air to work—and the chapter is only at its beginning.

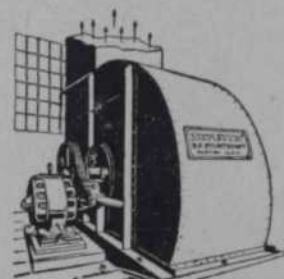
Air brings about a large increase in production

Two buildings of identical construction were devoted to the same kind of work. One building had a mechanical ventilating system. At the end of the year, production records showed that the employees in the building with the mechanical ventilating system accomplished much more work.

Supplying fresh air to your employees is a very paying investment. It increases their energy and enables them to go through the full day without a "slump." It is good business for you to furnish every employee with an abundant supply of pure air—so essential to his health and your factory's output.



records showed that the employees in the building with the mechanical ventilating system accomplished much more work.

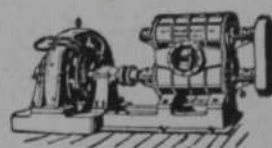
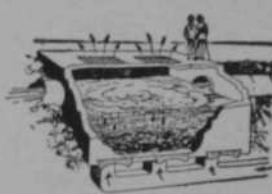


How Sturtevant Apparatus helped solve a sewage problem

An engineer of a Southern city perfected a new system of purifying sewer water.

He directed the sewage into large cement chambers at the bottom of which were gratings. Air entering these gratings was forced up through a thick layer of decaying sewage to keep the water in continual activation.

The bacteriological action of this decaying matter hastened the chemical breaking up of the incoming sewage into insoluble gases, a residue, and pure water, which flowed on to the river. The residue was valuable as a fertilizer. A Sturtevant High Pressure Blower was chosen to supply the unchanging volume and constant pressure of air so necessary to the success of this system.



Wherever there is a business there is a probable chance to use our apparatus profitably. Sixty years of experience in designing air equipment have shown us more ways to use air than most manufacturers realize; but we have only scratched the surface of the world of wonderful uses of air.

The ways we have put air to work in different businesses are described in our bulletins. These are prepared by our engineers and give the details of installations, equipment, and machines. If you will write us the nature of your work, we will send you the bulletin which tells how air works in your business. Or, if you specially request, we will have a representative visit you at your plant. Address

B. F. STURTEVANT COMPANY

EUGENE N. FOSS, President

Hyde Park, Boston, Massachusetts

or one of the following 24 branch offices in the United States and Canada

Atlanta, Ga. 306 Walton Bldg.
Boston, Mass. 555 John Hancock Bldg.
Buffalo, N. Y. 101 Bedford Ave., Nye Park
Chicago, Ill. 530 S. Clinton St.
Cincinnati, O. 604 Provident Bank Bldg.
Cleveland, O. 330 Guardian Bldg.
Dallas, Tex. 3411 Knight St.

Detroit, Mich. 406 Marquette Bldg.
Hartford, Conn. 38 Pearl St.
Kansas City, Mo. 412 Reliance Bldg.
Minneapolis, Minn. 804 Metrop. Life Bldg.
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STURTEVANT ENGINEERING COMPANY, LONDON

Whether the Tide Falls Gradually or Swiftly Depends Upon the Curbing of the Present Craze for Speculation

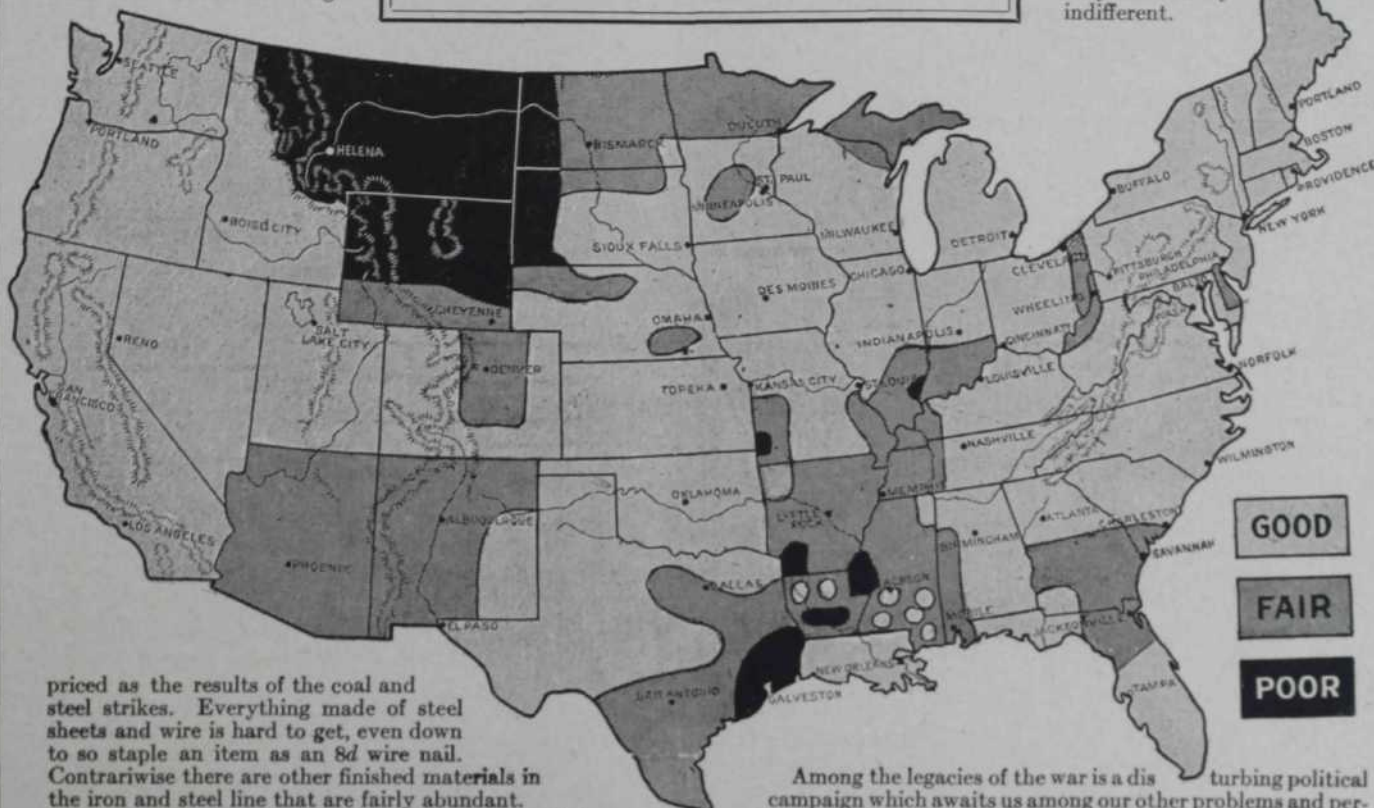
By ARCHER WALL DOUGLAS

IT IS increasingly obvious in some lines that the tide is at flood both in volume and prices. Supply is gradually encroaching upon demand, and there is ever the apprehension that the consumer may balk at some of the prices he is called upon to pay.

Each line of business is subject to separate influences and is full of contradictions. In metals, copper prices and production are held down by a surplus which many plans have failed to dispose of. Lead and zinc meanwhile show increased outputs and higher prices. Iron and steel products are scarce and high

Business Conditions, March 11, 1920

THE map shows at a glance the general business conditions of the country. It is prepared by Mr. Douglas as a weather map of business, and should be so read. The light areas indicate large bank deposits, promising crops, industrial activity, evidence of an economic evolution, creating new needs in home, shop, and farm—in a word, a "high pressure" buying market. The black areas locate reverse conditions. The shaded area means half way.



priced as the results of the coal and steel strikes. Everything made of steel sheets and wire is hard to get, even down to so staple an item as an 8d wire nail. Contrariwise there are other finished materials in the iron and steel line that are fairly abundant.

In some lines dealers are not taking all the fall allotments apportioned them by manufacturers, while in others, notably stoves and stove goods, the buying of futures is beyond all precedent. Meanwhile, so great is the current business and the purchases of spring and summer seasonal goods, that both manufacturers and distributors are absolutely swamped with orders that they are unable to ship with either completeness or dispatch.

Some manufacturers, weary of replying to inquiries as to when they will fill orders, already months old, send as answers printed slips stating that they are doing the best they can and are unable to give more definite information. Which is about as comforting as the sympathetic tags attached to the rejected manuscripts of the disappointed author.

The usual query is that, when the tide begins to run out, will it fall gradually or all at once? For among the many it is only the latter contingency which causes especial apprehension, since the dangers of a slow decline are possible of much avoidance and amelioration.

The answer as to the nature of the change depends upon whether it comes as the result of overstrained credit or because

of the natural laws of supply and demand when production becomes equal to all domestic wants. So it is squarely up to the Federal Reserve Board and the financial powers to hold in check that speculation which is the chief menace to present

prosperity. For the business which would thus be curtailed can well be dispensed with under current conditions. Stripped of all the sophistry with which it deludes itself and others, such speculation is a business in which the vast mass of the people have not the slightest interest and to whose existence they are entirely indifferent.

Among the legacies of the war is a disturbing political campaign which awaits us among our other problems and perplexities, and with its probable disturbing effects. It promises to be waged with the bitterest personal and party strife, and with class interests seeking their own gain at the expense of all else. We may find some comfort in the ages old truth that birds of a feather flock together, and that our problems are following the same fashion. It was Shakespeare who said that "one woe doth tread upon another's heels, so fast they follow." While Elbert Hubbard modernized it by adding, "Life is one d—n thing after another."

The European situation will probably take care of itself, since it seems beyond us. Great Britain and France are showing surprising and gratifying signs of recovery. England is reducing her imports and increasing her exports. Of late she shipped us cotton fabrics, mostly high grade, in greater value and volume than before the war for the thirty days in question, while the rehabilitation of northern France, in industrial life, far surpasses our expectation. Meanwhile, the rest of Europe which was at war is up to its eyes in trouble, and sees no way out. Wretched, miserable Austria, who started the war, is draining the cup of bitterness to its very dregs.

With us the farmer has expressed himself in very definite

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THE best guide in investing your funds is the reputation and record of the Investment House with which you deal.

Since this house was founded in 1882, every security sold by us has been paid off, both principal and interest, without loss or delay. As a result of this record, the reputation of S. W. Straus & Co. as dealers in safe investments only has grown steadily. Today we have well-satisfied clients in every state in the Union and many foreign lands, and the first mortgage bonds safeguarded under the *Straus Plan* are recognized as the nation's standard safe 6% investment.

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way as to what he thinks about the situation and what he purposes doing about it. Farming with him is a business which he expects to be remunerative, or else he fails to see any reason why he should prosecute it beyond the point of making a living. He does not understand why the consumer wonders that the farmer, like every one else, seeks to take advantage of the situation. He finds himself confronted by a greater scarcity of farm labor than even during the war and at much higher wages. He looks forward to a falling market on food products, as already evidenced in cattle and hogs, and his natural remedy is not to produce more than the demand naturally calls for. For larger production than this merely means (to him) lower prices.

The European call for food products from us is perceptibly on the decline, and this source of support to prices will be less and less in evidence as the harvest approaches. Also the government guarantee on wheat expires on June 1 of this year, and when prices of wheat decline, prices of all other food products go down in sympathy.

Machines Replacing Men

THE farmer is buying tractors and farm machinery to make up for the lack of labor, but at best it is only a partial remedy. He fails to see why he should work from morn to noon, from noon to dewy eve, a summer's day, when industrial labor is mostly occupied in striking for more pay, for which in exchange it offers less production, less work, and decreased efficiency. Such is the farmer's point of view which has led many, who are fond of playing the role of Jeremiah, to talk about the prospect of an alarming shortage of food this coming season. It is the old stuff with which we were regaled during the war, and with as little reason. There is nothing in sight to change the conviction that the time is still far distant when we will not produce more food in this country than is sufficient for our needs.

Reports of growing winter wheat are mixed. In general it is greening up where the snow covering disappeared. There are sections in the west and southwest where it is still yellow. But whether it is dead, or merely sleepeth, cannot be known till warm weather arrives.

Recent rains have largely relieved the situation in the dry districts of Kansas, Oklahoma and California. In general throughout the country, the soil is thoroughly soaked with moisture. In the south, especially, continued wet weather has much delayed planting and farm work.

Livestock generally is in good condition. Apparently they are in lessened numbers excepting milch cows and sheep. The difficulty about these estimates, however, is that they are based on certain mathematical formula and reasoning, and consequently no one can be sure how closely they approximate the actual facts. It is rather notable that cattle, hogs and sheep seem to be on the increase in the south as a whole.

Meanwhile there goes on all over the country that steady growth in productive enterprises which makes for the substantial welfare of the people. Arizona is all agog over a great cotton crop in 1919, raised by irrigation in districts where less than a quarter of a century ago there prevailed only the forbidding desert with its scanty and often poisonous life.

From the Government Experiment Station at Tallulah, La., comes the story of direct destruction of the cotton boll weevil by spray-

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A League Within Each Industry?

Friendship in the Place of Enmity?

Co-operation Instead of Destruction?

The Age of Isolation has Passed;

No man stands alone; no enterprise stands alone; no industry stands alone. The War has demonstrated the value of Co-operative Competition in reducing waste, eliminating unfair trade practices, and promoting business generally.

Truth, Not Agreements, is the Basis

of clean, healthy, lasting co-operation. The wise manufacturer wants no agreement with any Competitor that he will or will not do certain things. He knows that frankness and full publicity removes tricky, underhand, and oppressive methods to get business.

Is Your Industry Properly Organized

to meet the many new problems confronting every industry? When the decline in general business begins, will you be in possession of the necessary facts to readily adjust your policies accordingly? When prices change rapidly, can you buy and sell intelligently?

The Services of a Complete Organization

with an eminent authority on industrial associations as legal counsel, now acting for several important industries, is available for organizing and directing the co-operative activities of progressive manufactures along practical and safe lines. Correspondence Confidential; bank references exchanged.

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Of Industrial and Commercial Associations

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ing the growing plants with poisoning chemical dust which seems to offer the best solution so far of the problem of this destructive pest. On the other hand, in the same state, there has been discovered the pink boll worm, probably brought from southeast Texas or Old Mexico, and the most dangerous of insects to cotton. The only method known as to its extermination is complete abandonment of cotton growing in the infected districts.

The use of pruning implements and of spraying machines is reported as increasing in large proportion in the fruit districts of Arkansas.

The campaign against cattle ticks in the southern states is entering into its final successful stages.

In the Ozarks they are preparing the land for pasture for livestock by browsing Angora goats which eat the underbrush off the face of the earth.

Out in ubiquitous California they are raising everything that grows in the temperate zone, from food dates and citrus fruits to apples, peaches, cotton, corn, wheat and rice. And in rice they are the second producing state, being headed only by Louisiana.

But last and best, in Orange Township, Blackhawk County, Iowa, they seem in a fair way to solve the vexed problem of existence on the farm. They have all the comforts and luxuries of city folks on their farms, and they seem contented with the short and simple annals of rural life.

Troubles with a Foreign Trust

AUTOPSIES are not the business of our courts. In a recently published decision a federal court, upon finding that before it could reach a decision every human possibility had ceased of a future occurrence of the thing it was asked to order stopped, declared it was not engaged in pinning labels on corpses, and discontinued the whole proceeding. This was the outcome of the Government's attempt to deal with Yucatan's monopoly of the material for our binder twine, and of its increase in price in the face of our war necessities.

The court found there was every probability that the two Americans who were alleged to have made an agreement with the Mexican authorities—according to the court, the power behind the monopoly was official—to assist them with the financing of the hennequin crop had an experience that would deter them for ever and a day from entering into another agreement with the same gentlemen, and hence it would be a bootless thing for the court solemnly to issue to men of such belligerent attitudes an order that they should cease being bosom companions.

Darkest New England!

The following letter has just come to the editor's desk:

THE NATION'S BUSINESS:

I have received from some source a copy (March, 1920) of THE NATION'S BUSINESS and notice on page 32 a very interesting Deadly Parallel which states that the Senate and House of Representatives is elected by direct vote of the people. How long since the senators (U. S.) were elected by direct vote? I had an idea they were chosen by the state legislatures.

Respectfully,

W. B. CART,
Wethersfield, Conn.

The 17th Constitutional Amendment provided for the direct election of United States senators. It went into effect May 31, 1913.

The One Best Filing System

FOR 40 years Yawman and Erbe have been perfecting the "Direct Name Filing System."

Properly installed in an office, this system changes filing from a slow, complicated *job* to a swift, accurate *habit*.

Filing a paper, or finding one, becomes so simple that it is almost instinctive.

Seconds are sufficient, where it used to require minutes, to find or file a paper.

If you ever have to wait for filing material, if anything is ever "lost" in your files, if your business has outgrown your filing system, ask to have a "Y and E" expert (without charge) explain the Direct Name Filing System.

Use your letterhead in writing for a new and cleverly illustrated book, "The One Best Filing System."



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Advantages of a New York Banking Connection

MANY manufacturers and merchants outside of New York City find it advantageous, when consistent with their local banking connections, to maintain an account with this Company.

New York is the financial center of America, if not of the world; it is the center of the country's foreign exchange business; it is the country's chief commercial market; it is the greatest port for foreign trade. A fully-equipped New York banking institution, working for your interests, can assist you materially in your domestic and foreign business.

An account with this Company enables you to make settlements *direct* with New York funds. It puts you in close and immediate contact with the foreign banking facilities of the financial centers of the world. It opens to you the facilities for information and business service, afforded by the forty departments of the Company, covering every domestic and foreign banking, investment, and trust function.

If it would not conflict with your local banking arrangements, we should be glad to discuss with you personally or by correspondence, the advantages of New York banking relations with us.

Booklets describing our various services will be sent on request.

Guaranty Trust Company of New York

New York	London	Liverpool	Paris	Havre	Brussels
Capital and Surplus	-	-	-	\$50,000,000	
Resources more than	-	-	-	\$800,000,000	

The Rise of Lignite

THE development of lignite to solve Great Britain's oil problem has been hastened by coal mining industrial troubles. Deposits of the highest grade lignite at Bovey Tracy and elsewhere in Devonshire will speed the production of crude oil, allowing, apart from the cheap electricity generated from lignite, that fuel can be sold at considerably less than the price of coal. In addition to the motor spirit and paraffin obtainable by distillation, a valuable fuel, particularly suitable for Diesel and similar engines, can also be produced, together with lubricating oil and paraffin wax.

Lignite is reported also to produce Montan wax, now a complete monopoly of Austria and Germany. This wax is used in the production of high grade boot polishes, gramophone records, etc. One industry in Great Britain is likely to be revolutionized by lignite, and that is the pottery industry, at present centered in Staffordshire in the Five Towns around which the English novelist, Arnold Bennett, has woven so many stories. Cheap coal made possible the growth of the enormous potteries of the Five Towns, but it is believed that the same clay put in lignite-fired kilns in Devonshire at 5 shillings per ton, may result in the establishment of British potteries near cheap clay rather than near cheap coal.

Thus Devonshire would rise—for that is where pottery clay comes from—at the expense of Staffordshire. It is further said that all the towns in South Devon, as well as the industries in the neighborhood, can be supplied electric current generated from Devonshire's lignite deposits.

The Horse-Sense of a Budget System

IN HIS address before the New York Republican Convention on February 19, 1920, Elihu Root, as temporary chairman, called attention, among other things, to the need for an effective budget system. His words are well worth repeating:

"The vast mass of figures through which the finances of the Government are presented in such a way that hardly anybody can understand to what conclusions they lead, can be reduced to practical and instructive form by the establishment of an effective budget system, under which Government will be obliged to start with its resources in order to determine its expenditures, under which the cloth will be measured before the coat is cut, under which when a new or enlarged expenditure is proposed the question will have to be asked: 'Where is the money to come from?'; and under which responsibility for extravagance can be fixed. It was quite right during the war to say, 'Such and such things must be done immediately. We will find the money somehow,' but no nation can afford to conduct its peace expenditures in that way.

"A second thing to be done is to secure executive departments that will stop urging and a Congress that will stop appropriating money for things which need not be done now, or need not be done so expensively, or need not be done at all. We should have both in the Executive and the Legislative branches men who will not be content with the assurance that a proposed expenditure is for a good purpose; but who will also inquire, 'Are we justified at this time in adding to the already oppressive weight of taxation upon the American people in order to secure the money for this expenditure?'"



Drivers' Conference Room—Packard Service Station. Attended by drivers from all over the Metropolitan District. Owing to the practical engineering and basic economy of the Packard Truck, a week's conferences is usually enough to win a driver his Gold Star and Certificate for Proficiency.

The Driver's Experience vs. "Features" and "Talking Points"

GIVE the driver a chance and he will take any amount of trouble to find out a *better* way of handling his truck.

Men drive all day, and then come long distances night after night to the *Packard Service Conference*. The class is always full. There is a long waiting list ahead.

It is unfortunate that the average driver's efforts to keep his costs down are so often thwarted by the *truck* he is given to work with.

THE following National Standard Truck Cost System facts on the performance of over 1700 Packard Trucks in 1919 have a *vital significance* for the truck user.

An average *saving in gasoline* of 10 per cent—due to greater efficiency in operation with the aid of the National Standard System.

The National Standard System, used in connection with Packard Trucks, has shown it possible to reduce cost per ton-mile.

Ninety per cent of truck owners who have used the System for a year or more, and have compared the Packard with other trucks, are standardizing on Packard.

The driver finds the Packard easier all around to handle.

Less vibration; because of the smooth-running Packard engine, the construction of the worm drive, and the placing of 85 to 95

per cent of the live load on the rear axle.

Less strain at the wheel, owing to the Packard semi-irreversible steering gear.

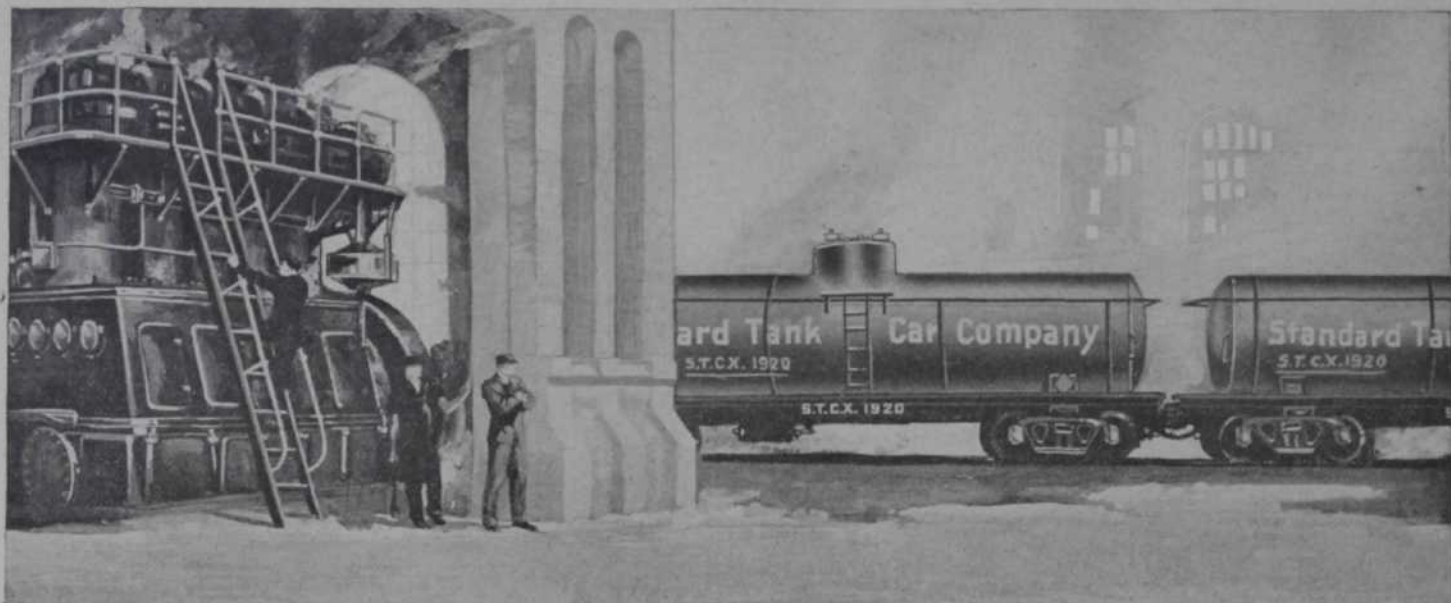
Easier handling on the hills, owing to Packard high tractive force on the road; and four-speed transmission graded up by even steps. Easier to keep clean. Engine enclosed, and lubricated automatically. Fly wheel and clutch shut off from dust and mud.

THE man who is in doubt what make of truck to buy might well ask his *driver's* advice.

It may surprise him to learn the positive Packard opinion among men who judge a truck solely by what it will *do*.

"Ask The Man Who Owns One"

PACKARD MOTOR CAR COMPANY, Detroit



The Cavalry of the Power Plant

Tank Cars quicken and sustain industry with mobile horsepower. Serving tirelessly with bone and sinew of steel, foraging and filling breaches at the height of the struggle.

In transporting power for crude oil engines and fuel oil for furnaces, they have scored many a victory for steadier and cheaper production, all the way from individual plants to great central stations where electricity is generated.

Standard Tank Cars are unconquerable veterans of these campaigns, because they are built with the extra strength and endurance that keeps them ever fit for duty.

Tank Cars Built, Repaired and Rebuilt, Sold and Leased

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Write any office for leasing terms and for any other detailed and engineering information

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"All About Tank Cars," is a complete guide for Tank Car Users. Data includes all the detailed and general information lessees and owners should have for the most economical operation of cars. Mailed postpaid from St. Louis to any address on receipt of price—\$5.00.

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Standard Tank Cars

Over a Tank Car an Hour

In Twenty-Five Years—the Motor

IN LESS than a quarter of a century the automobile has accomplished a veritable revolution in industry and civilization. Let us turn the searchlight upon it just a moment! In 1896 there were only four automobiles in the United States. Barnum and Bailey announced the exhibit of a "horseless carriage" as a new kind of freak. Next year the *New York Journal* printed a sensational story describing an adventurous journalist's first ride in an automobile "in quest of a new sensation." In 1898 a plant was built to turn out "motor carriages." The first four-cylinder car was brought out in 1900 and the first New York motor show held that year. And now, for 1920, two million cars are scheduled for production! Meanwhile, what has the motor done for us? This: it has stimulated the building of thousands of miles of permanent highways, brought commercial prosperity to hundreds of cities and towns formerly out of communication with industrial centers, created wealth by increasing land values and making more valuable allied industries, saved time and money in all sorts of transportation, brought into existence a new industry employing one million people and thus increased economic wealth, brought the farm close to the city and thus made farming more profitable, furnished new and healthy recreation to seven million car-owning families. Truly the automobile is the little giant of progress! It is the principal achievement of the genie of industry called forth by the Aladdin's lamp of modern invention. "I am your slave," said the djinn.

Ouija Says There's Money in It!

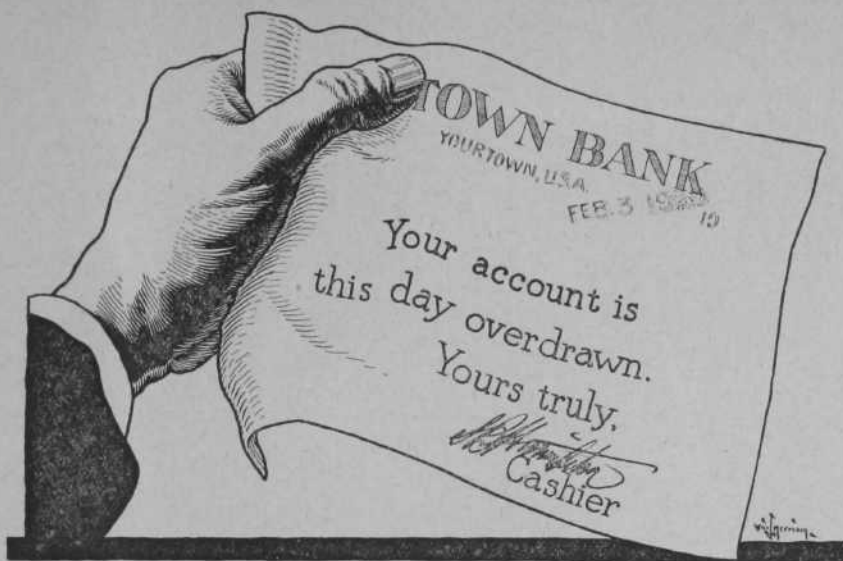
CONTEMPORARY interest in spiritualistic phenomena and the dicta of Sir Oliver Lodge, Sir A. Conan-Doyle, and other upholders of spiritualism, has actually affected industry. William Fuld & Sons of Baltimore, ouija board manufacturers in the home of the ouija board, have lately found it necessary to enlarge their manufacturing facilities.

A larger factory, completed at a cost of \$125,000, has just been built. It contains 36,000 square feet of floor space entirely devoted to ouija boards. One wonders whether, after the working day is over, the spooks play any tricks with the stock. It would be considerably disconcerting to come to business in the morning and find walls and ceiling of your factory covered with spirit-writing, for instance!

Nickel Coins for London!

AN interesting currency announcement has recently been made. London is to have a new nickel coinage. This has been rendered necessary chiefly by the constantly rising price of silver, making silver coins worth more than their face value, and at the same time by a desire to sweep away the present cumbersome copper coins. The good old "brown" will slide into the discard. Does it seem possible?

In Canada silver is another story. Word comes from Cobalt, Ontario, that adverse exchange rates have made silver mining extremely profitable. Quotations for silver in the American market average \$1.35 an ounce, but because of a premium of approximately 15 per cent on American money there, the miners are receiving \$1.55 an ounce in Canadian currency.



Beyond Your Control

You know how much money you put in the bank.

But you never know how much is being taken out—

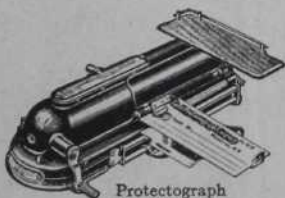
Unless you protect your checks to prevent some sly crook from changing the names or raising the amounts. Check fraud is *so easy*. It's one of the most common forms of swindling today.

TODD Protectograph System

EXACTLY FIFTY ONE DOLLARS SIX CENTS

(The new Protectograph with "Exactly" Speed-up Dial "Shreds" the amount in the body of a Check exact to the penny. Denominations in black, amount words in red)

Todd System of Check Protection is the Combination of Protectograph Check Writer and PROTOD forgery-proof checks, each check registered and safeguarded like a Government bank note. Todd System carries an iron-clad insurance policy covering (1) The Amount; (2) Name of Payee; (3) Your Signature—which is *Money*, since it represents your credit and all you are worth.



Protectograph
Check Writer—
Todd 2-Color Patents

Write for PROTOD samples and prices

There's a little book written in State Prison by a famous check raiser which we will send (confidentially) to responsible business men who enclose their business letterhead. Shows exactly how business firms are swindled daily. Send the coupon.

TODD PROTECTOGRAPH CO.

(Established 1899)

World's Largest Makers of Checks and Check-Protecting Devices

1174 University Avenue, Rochester, N. Y.

"Scratcher" The Forger

His Book

(Written in State Prison)

FREE, please send the "Scratcher" book by a famous forger, describing the temptations of unprotected checks.

Name _____

(enclose your business card or letterhead)

TODD PROTECTOGRAPH CO., Rochester, N. Y.
N. B.-S-20

The "Eye Witness"

IN OUR courts, competent testimony as to physical facts may be given only by an "eye witness."

The only eye-witness that can make a visual *record* which all may see alike is the motion picture.

All the words written or spoken since the beginning of human speech are but hearsay evidence compared to the authentic record of a narrow strip of celluloid film.

Motion Pictures of Bray quality will supply any audience with complete, detailed and decisive evidence—evidence for sales purposes, evidence for production purposes, evidence for the purposes of financial promotions.

A clear, quick, vivid, uniform and lasting impression is assured—exactly as planned by executive control.

Too Big for Little Minds

Executives of great business quickly grasp the possibilities of the industrial motion picture—small-minded subordinates confuse them with the "movies;" knowing entertainment pictures only the motion picture in business is to them a toy—a plaything.

Competent counsel on sales training or factory instruction problems is supplied by The Bray Studios without charge for such services.

Correspondence is invited. State your problems and full particulars will be sent you. Our representatives call by appointment only

THE BRAY PICTURES CORPORATION

23 East 26th Street
New York City

208 S. LaSalle Street
Chicago, Ill.

The subject of the next advertisement in this series will be "The Uses of Motion Pictures."

The Beginning of Sky Commerce

COINCIDENT with the continuation of experiments in balloon and dirigible airship work by the rubber companies of Akron, Ohio, a National Airway Service Co. has recently been organized in that city by individuals formerly connected with the Army Air Service. Commercial and passenger communication is intended with Cleveland and other cities. This looks like the small beginnings of a big commercial development. Twenty-five years ago who would have dreamed of Detroit, for instance, as the center of the vast automobile industry of today? And America has a way of going in for any new means of transportation on an intensive quantity-production basis.

Electric Ships the Latest!

RECENTLY the oil tank steamship *Fuel Oil*, owned by the Huasteca Petroleum Co., arrived safely at Tampico, Mexico, and took on a cargo of crude petroleum for Florida coast ports. It is one of three electrically driven oil tankers constructed in New Orleans, the others being the *Sun Oil* and the *Mex Oil*. The vessels are said to have proven so satisfactory that all other tank steamships added to the fleet of the Huasteca Co. will be similarly equipped, operating between gulf ports and the Florida coast.

The Bandit Shrub

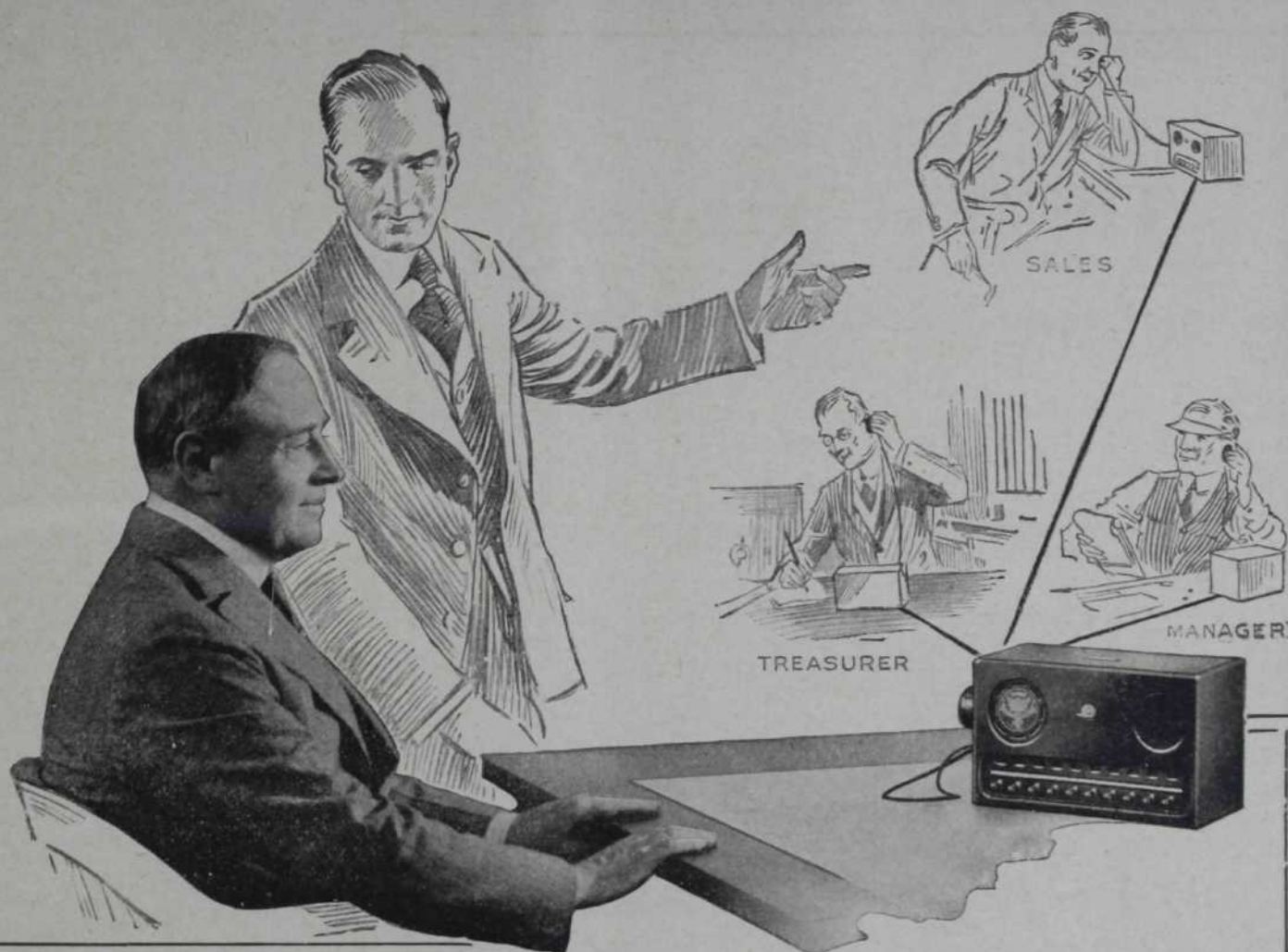
A RECENT bill in the House of Representatives proposes to set aside \$147,200 for the location and destruction of the *Berberis vulgaris*. A new variety of Bolshevik? No, merely the old-time barberry bush, that shrub with yellow, rather evil-smelling flowers, which has just lately revealed its truly nefarious nature. The fungus which thrives on its leaves originates spores that produce black rust, leaf rust and stripe rust in wheat, oats and barley. And, without black rust, it is calculated that the grain crops of this country could be increased by fully one-half. Experiments in Denmark and Sweden have proved it.

Objections to the bill before the House were, however, promptly raised, and a wordy debate ensued. Were there not other spore bearers? Would destruction of the barberry eliminate black rust, after all? The chairman finally sustained an objection made against the legality of the appropriation. Meanwhile the barberry bush, like Brer Rabbit, "ain't sayin' nuttin'." It "lays low." And even if the federal authorities eventually sleuth it to its doom or no, it does not matter much,—for last reports tell of an independent crusade for its extermination being undertaken by the individual states.

May thousands of the bandit shrubs bite the dust and increased production ensue.

Going to Tour France?

AMERICAN automobilists going with their machines to France should carry along their state licenses. Upon strength of the permits issued by our states, the French authorities will issue grey cards for cars and pink cards for drivers. Incidentally, Americans will have to provide several copies of photographs such as have become familiar to the traveling world for passports and pay a fee of 20 francs. Thereupon the American will be able to "circulate" all over France with his machine.



"You can get any one or all of them instantly!"

It's just as the Dictograph Demonstrator says—to get any one or several of your associates or employees—*separately or at the same time*—takes only the instant required to press one or more keys.

Then you sit back and talk—and the far reaching voice of the Dictograph System of Interior Telephones carries your message and brings back your answer as clearly as though the parties called were in your own office.

Think of the dispatch with which a transaction can go through when you have a "DICTOGRAPH Conference" without calling a single man from his desk.

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Think of the convenience of being able to get inside information from one or more sources through the DICTOGRAPH while a party calling from the outside is held on the wire.

More than fifty thousand busy Executives are finding that the DICTOGRAPH brings order, system, accuracy, and efficiency—are finding that it speeds up production by turning lost time into productive time.

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Promises and Pie Crust

SOME one once remarked that, "Promises are like pie crust, made to be broken." The value of a promise lies in how it is kept, not in how it is made.

A SHORT while ago a merchant was asked what he thought of The Sperry & Hutchinson Company. After a few remarks he said, "And there's one thing you can bank on, they always do a little bit more than they promise."

IN THIS year of 1920 we are nearing our first quarter century mark. For over 23 years American housewives and merchants have benefited in a substantial way through the medium of the little discount-for-cash token—the "S&H" Green Stamp.

THE endorsement of the "Sperry" Service is universal and sincere, because long before our merchant friend discovered the secret of our success we had always performed a little bit more than we promised.

ALL promises are NOT "like pie crust."

The Sperry & Hutchinson Co.
2 West 45th Street New York

A Poll of Bad Practices

HERE is an analysis of causes of complaints received by the Federal Trade Commission. Figures represent the number of complaints referring to a principal subject:

Advertising:	
False and misleading	366
Refusal to accept	7
Refusal to accept, inducing	1
Threats to withdraw	1
Agreement with F. T. C., violation of	1
Bogus independents	15
Commissions:	
Secret	7
Split brokerage	1
Competing with purchaser of business and good will	1
Conspiracy:	
To injure competitor	25
Blacklists	6
Contracts:	
Abrogation of	104
Exclusive agency	11
Inducing breach of	25
Exclusive dealing	108
Exclusive selling	4
Exclusive territory	15
Credit, competitor's:	
Shutting off	2
Excessive	1
Defamation:	
Libel	20
Slander	12
Direct selling to consumers by producers or wholesalers	17
Discount, quantity	12
Discrimination:	
In price	103
In freight rates	4
In royalties	2
Disparagement of business	61
Disparagement of goods	50
Drop-shipment offers, discrimination	2
Elevator facilities, denial of use of	2
Employees:	
Bribery of	144
Enticement of	22
Expionage	18
Export trade, unfair competition in	1
Guarantee against decline in price	18
Interlocking directorates	7
Intimidation:	
Boycott	18
Molestation or obstruction	29
Threats	97
Leaders	10
Limitation of output, agreements	3
Lotteries	2
Misbranding	103
Miscellaneous	98
Mismanagement of corporations	4
Monopoly	55
Passing off of goods	74
Passing off of name	53
Patents and copyrights, infringement of	27
Patents, wrongful application for	1
Prevention of competitors obtaining machinery	2
Prevention of competitors obtaining raw materials	2
Prevention of competitors obtaining raw materials or machinery	2
Price:	
Agreements	11
Cutting	117
Enhancement	41
Fixing	62
Quotations, market, refusal of use, etc.	1
Rebates	6
Refusal to sell	168
Resale price maintenance	99
Restraint of trade	96
Secret and confidential information, illicit use of	12
Stock:	
Pooling of	
Purchase of, to lessen competition or to create a monopoly	24
Sale of, misrepresentations and concealment in (blue sky)	109
Suits, malicious and wrongful	24
Supplies, cutting off of competitors	27
Testimonials, misuse of	1
Trade-marks, wrongful application for	1
Transportation, control of	2

Note.—It should be borne in mind that one single application may involve a number of different practices. In these cases, a separate index card is put in for each alleged violation of law, and is so counted in the above list.

A Letter to the Editor

Editor NATION'S BUSINESS:

Dear Sir: When is a man a profiteer? "When he makes an unjust or an unreasonable profit," replies the Attorney General. It may be 10 per cent, 20 per cent, or 30 per cent, depending upon the circumstances of the individual case. Since the magnitude of profits compared with the investment value is the measure of a business man's sin, we might inquire of the Attorney General how he proposes to compute the value of a business man's investment.

Shall the value of his physical plant and



Sir Edward Jenner

The Modern Medical Idea

—Sickness Prevention

BACK in 1796, when he developed the vaccine treatment to combat smallpox, Edward Jenner helped to start the trend of medical thought in the new direction of *Sickness Prevention*.

Today anti-toxins, serums, vaccines and sanitation—all these check disease before it can gain hold. But constipation still remains one of the most devastating of all plagues, because by reducing the body's power of resistance it makes it an easy victim of every and any disorder.

Leading medical authorities agree that 90% of disease has its origin in the intestinal tract—in constipation.

Nujol will keep the poisonous waste moving out of the body by *this entirely new principle*—it works on the waste matter instead of on the system. Every other form of treatment either irritates or forces the system.

Nujol *prevents* constipation by keeping the food waste soft, thus helping Nature establish easy, thorough bowel evacuation at regular intervals—the healthiest habit in the world.

It is absolutely harmless and pleasant to take—try it.

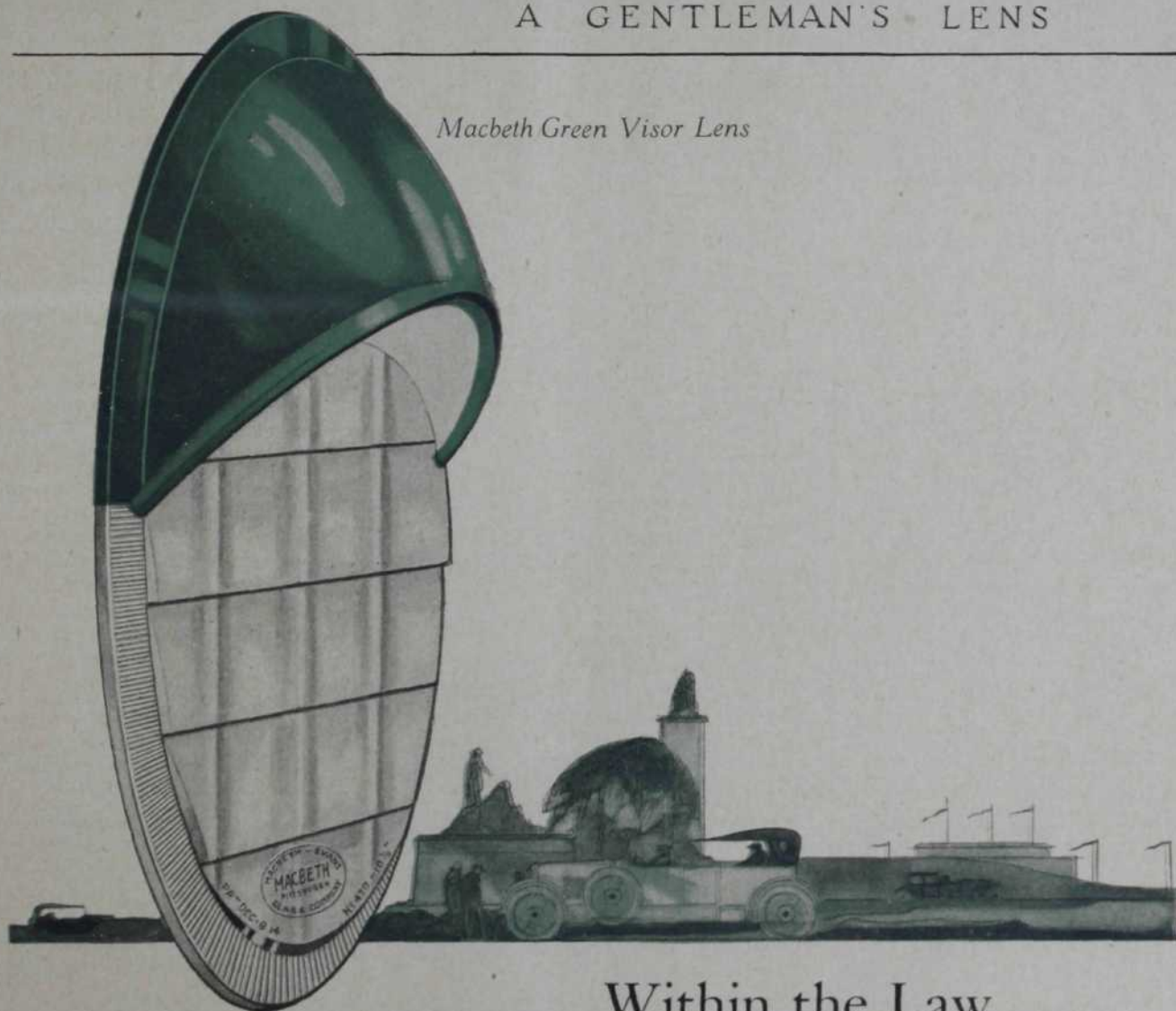
Nujol is sold by all druggists in bottles only, bearing Nujol trade mark. Write Nujol Laboratories, Standard Oil Co. (New Jersey), 50 Broadway, New York, for booklet "Thirty Feet of Danger."

A New Method of Treating an Old Complaint.

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Macbeth green visor lenses comply with headlight laws everywhere and with every law of courtesy as well. They mean safety for their owner and for all he meets upon the way. All blinding, wasted, upward rays are re-directed down in concentrated brilliance *on the road*. No dazzling rays escape to confuse and endanger other drivers. The Macbeth is the lens of a gentleman. It shows a gentlemanly

consideration for others. Five horizontal prisms scientifically control and direct the light far ahead and keep it well below the line of vision of approaching drivers. Four vertical prisms spread it uniformly throughout the lighted area. Macbeth battleship and lighthouse lenses are distinguished by the Government's approval. Add distinction to your car and safety to your driving with the Macbeth green visor lens.

Price per Pair \$5.25—Denver and West \$5.75—Canada \$6.00—Winnipeg and West \$6.50

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We have just issued an interesting 32-page book on "Purchasing department records". Some particularly important chapters deal with Purchase Orders, Quotations, Stock Records, Correspondence and Catalog Filing and Follow-up systems.

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Columbus, 20 South Third street
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bldg.
Des Moines, 202 Hubbell bldg.
Detroit, 65 Washington bldg.
Fall River, 29 Bedford street
Hartford, 78 Pearl street
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equipment be determined as of the year of our Lord 1913, or as of the current year?

Shall the value of the physical plants be measured by the 1913 dollar or by the 1919 dollar that is equal only to the 1913 half-dollar? Manifestly it makes a difference which dollar is used. The prices of all commodities have risen over 100 per cent and the converse of that proposition is that the value of the dollar—its purchasing power—has fallen 50 per cent. A factory which reflected \$1,000,000 in 1913 will reflect \$2,000,000 in 1919, because it costs just about twice as much to erect buildings and install machinery today as it did six years ago. The man who has kept his money in bank has lost half of his fortune but the man who invested his money in a factory has shared in the general advance in prices. Since the price of everything else has doubled, he must double the value of his investment to keep pace with the times.

What is the bearing of this on profiteering? Simply this. A business man may be earning a gross profit of 20 per cent on a factory that originally cost \$1,000,000, and for that reason be labelled a profiteer. But if a rival were to start up in the same field, it would cost him \$2,000,000 today to duplicate the first business man's factory. Even if the newcomer did as large a business, he would only make 10 per cent profit. We cannot therefore rely upon competition to bring down this rate of profit. In fact why should the rate of profit come down? If the dollar has depreciated to 50 cents, it takes two million fifty-cent pieces to represent an investment that originally cost one million dollars. The \$200,000 income of our factory owner is thus really only a return of 10 per cent upon an investment of \$2,000,000.

Is this depreciation of the dollar one of the elements which determine whether a given rate of profit is unjust and unreasonable? We submit that question to a reasonable man like the Attorney General. Will he deem our question unreasonable?

HOMER HOYT,
Professor of Economics,
Delaware College.

The Housing Crisis

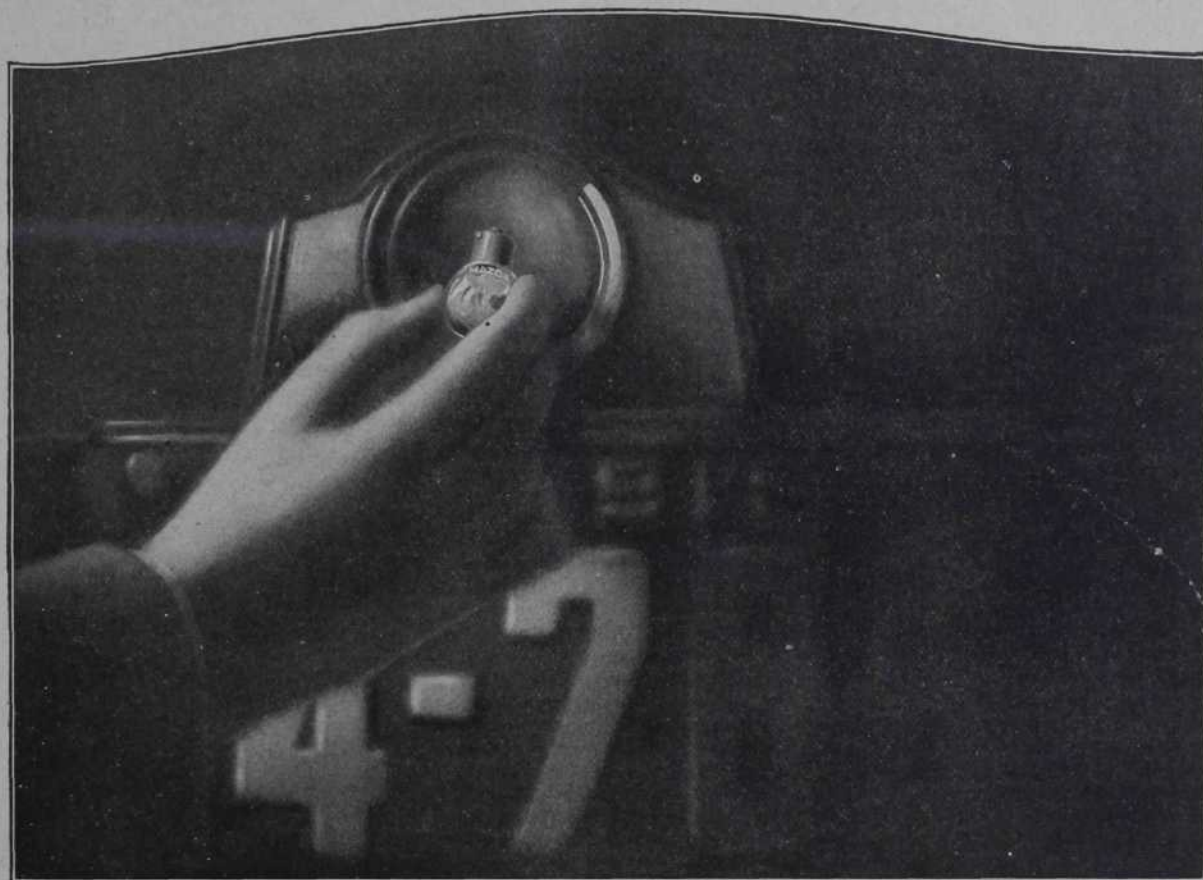
THE American Institute of Architects has addressed a letter to the President's Industrial Conference, as well as submitting it to all Members of Congress, which deals with the present housing crisis in this country.

It maintains that no solution of our industrial unrest is possible until the primary requisite of shelter is acknowledged as a crucial factor. We are faced with a shortage of dwelling-places of formidable proportions. In New York City alone careful survey has ascertained that 30,000 new dwelling-places are needed. Almost without exception every city reflects this condition. The causes relate to the war, cost of building, wages, rents, land and building speculation, and, incidentally, the whole fabric of our industrial system.

The house and home are the center of the national fabric. Immediate impartial investigation is urged. The English Housing Act of 1919, the Canadian Act of 1919, the Saskatchewan Act of 1919, the proposed New Zealand Act are pointed to as throwing light on the subject of proper legislation. The Institute urges a report by a qualified and responsible agency for making this sorely needed study and stands ready to present evidence in support of its contentions if so desired.

MAZDA

"Not the name of a thing, but the mark of a service"



Behind the red glass—What?

Tail-light dependability keeps the danger signal set as long as the switch is on. With the MAZDA Lamp there is a reliability which MAZDA Service has put into every lamp marked MAZDA—be sure there's a MAZDA Lamp behind *your* red glass.

MAZDA is the trademark of a world-wide service to certain lamp manufacturers. Its purpose is to collect and select scientific and practical information concerning progress and developments in the art of incandescent lamp manufacturing and to distribute this information to the companies entitled to receive this service.



MAZDA Service is centered in the Research Laboratories of the General Electric Company at Schenectady, N. Y. The trade-mark MAZDA can appear only on lamps which meet the standards of MAZDA Service. It is thus an assurance of quality. This trademark is the property of the General Electric Company.

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Service

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New Books on Business

Human Nature in Business, by Fred. C. Kelly. New York City: G. P. Putnam's Sons.

A book crammed full of business-building ideas and facts. Any man or woman connected in any responsible capacity with the promoting, planning, extending or safeguarding of a business will find it profitable to read. It shows how to capitalize your every-day habits and characteristics, to hold profitable business and get more. Much of this matter originally appeared in magazine form. From showing how one can apply one's powers of deduction to the law of averages, Mr. Kelly studies the human equation as material for sales under such unusual chapter heads as "Cashing in on Footsteps," "Men's Moods at the Lunch Hour," "Human Nature and the Weather," "Meeting Human Nature Half Way," "Applying Imagination." The volume is handling the psychological side of trade in the most lively and fascinating way. One example: Mr. Kelly discusses a particular corner of a main shopping street in Washington so thronged by passers-by that it should be the finest of retail locations. Yet for several years men's furnishing establishments failed to make a go of business there. Why? The explanation came simply to the observant. It was a busy corner—but a woman's corner. Most of the traffic was feminine. Of no use to a store selling men's goods. Yet, two or three doors from that freak corner, one might have a haberdashery place and do well. Such are the largely overlooked and keenly analyzed phases that Mr. Kelly discusses. They sharpen observation and emphasize a most important side of business acumen.

Building and Maintaining a Local Chamber of Commerce, by Colvin B. Brown, Chief of the Organization Service Bureau of the Chamber of Commerce of the United States.

This useful booklet is designed primarily for communities in which there is no Chamber around which to form associations. It should be of great value, also, to organizations seeking to reorganize for increased usefulness or seeking the most approved methods of organization structure and of building and holding membership. The following subjects are covered: Organization, Field of Work, Administration Machinery, Program of Work, Officers and Committees, Revenue, Membership Campaigns, Continuous Membership Solicitation. It contains a documented appendix of by-laws, reasons for using the name "Chamber of Commerce," forms of membership contract, provisions relating to plural membership, letters to prospects, different plans of membership solicitation, etc. The author's experience in such work has been extensive, and no aspect of the problem is omitted. It is the one recent booklet on the subject that supplies "multum in parvo."

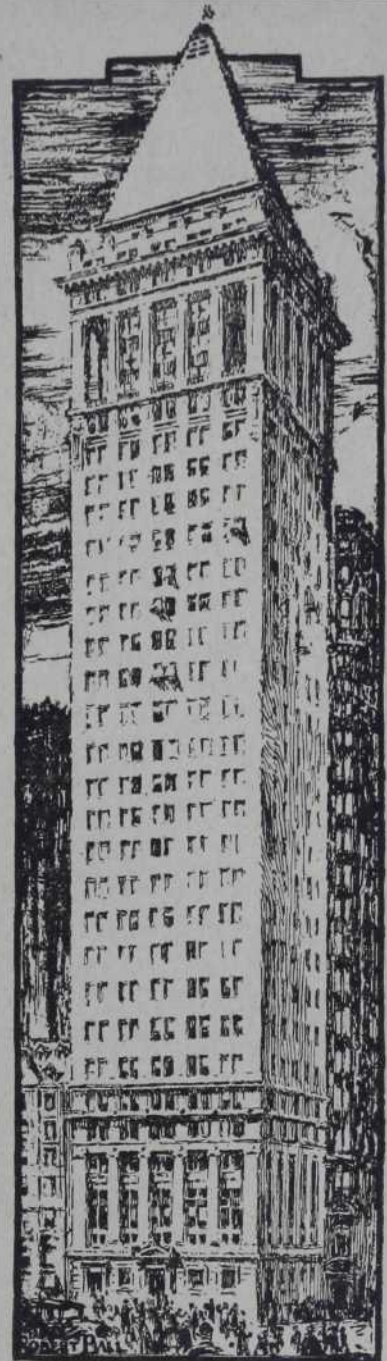
Better Letters, A little book of Suggestions and Information about Business Correspondence. Chicago, Ill.: Herbert S. Browne Co.

This is a practical everyday working manual for everyone who desires to produce better business letters. It has been estimated that three-fourths of the business of the world today is transacted or influenced by mail. The most important tool in modern business is the letter. This book states in simple and direct form the things of elementary importance in good business letters. It tells how to make such letters direct, forceful, individual, persuasive, gram-

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The Place of Agriculture in Reconstruction. A study of National Programs of Land Settlement, by James B. Morman, A.M., Assistant Secretary of the Federal Farm Loan Board. New York City: E. P. Dutton & Company.

This book formulates a practical program of land settlement in the United States for discharged soldiers, sailors and marines. But more than this, and because of this, it goes deeply into the elements which make for success in farming. The basis of successful farming is considered as to climate, crops, livestock, land, labor, capital and credit. The inquiry has also been broadened to show the present and future needs of agriculture. The book begins with a discussion of the labor problems of the return to peace, analyzes the land-settlement problems of different countries, the future supply of farm laborers and tenant farmers, the problem of rural credits and the reconstruction of agriculture in its relation to national welfare.

We're the Cocoa Country!

IN 1918 this country consumed about one-half the total world production of cocoa (crude), which total production was some 386,000 tons. For the last fiscal year the imports of crude cocoa fell off some 21 per cent in quantity and some 12 per cent in value. Of this amount there was reexported nearly 33,000,000 pounds, valued at over \$5,500,000. Notwithstanding the decrease in available supply, exportation of prepared cocoa and chocolate (not including confectionery) rose from about \$6,000,000 in 1918 to \$11,000,000 in 1919. Since the war there has been a steady movement toward direct importation from producing countries, resulting in an almost complete elimination of the European middleman.

In 1919 less than one-fourth of 1 per cent of American imports of crude cocoa came by way of Europe, whereas in 1914 nearly 25 per cent was purchased through Europe. Imports from Portugal and the United Kingdom have declined until trade with Portugal has entirely disappeared and less than \$85,000 worth are noted from the United Kingdom. British West Africa—the Gold Coast—now produces one-fourth of the world's total output. Direct trade between this African colony and the United States has enormously increased.

The net amount of crude cocoa retained in this country is some 280,000,000 pounds, some of which reaches the consumer as prepared cocoa or chocolate and the remainder as confectionery. About one-half of all cocoa products are in the form of some confection. The value of Europe's purchases of American-made cocoa and chocolate is seen in the jump from \$33,485 to \$8,071,347. A determining factor has been the inability of the Netherlands and Switzerland to obtain crude cocoa during the war.

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Kardex steel cabinets handle any number of cards, from 50 to a million—every one in sight.

Write for Kardex Catalog

that explains exclusive features of Kardex. It is an authority on cards-in-sight business systems. Learn how you can save clerk-cost.

Kardex service means prompt deliveries.

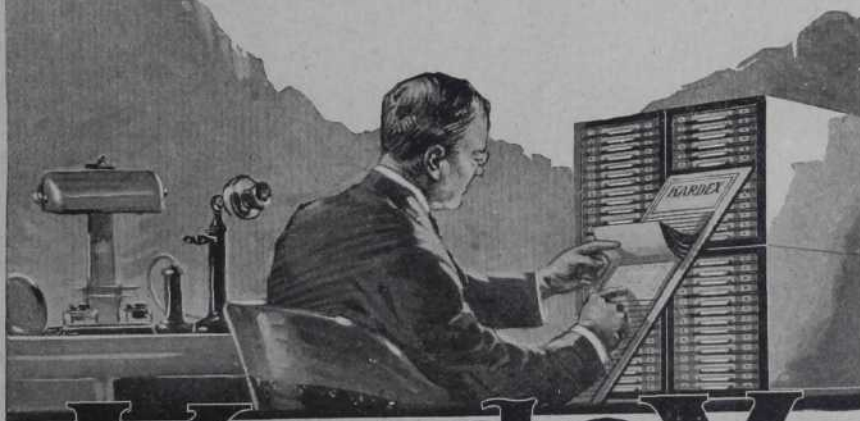
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The main reason, however, for the pronounced success of this equipment is in the service and counsel given by Mead-Morrison Engineers. The knowledge and experience of this engineering staff is at your service. It, of course, embraces a familiarity with all matters of hoisting and material handling. But more than that—it is based on a record of successful achievement in electrical, mechanical, structural and civil engineering.

Many of the largest freight terminals, coal and ore docks have complete material-handling plants which were designed, arranged and equipped by Mead-Morrison Engineers.

Consider Mead-Morrison products—Hoists, Grab Buckets, Conveyors, Car Pullers and Winches—for their recognized quality and merit. And remember Mead-Morrison Engineers for their service to the World of Industry.



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Helping Six Million Boys

IT'S a business proposition—how to reach the "under-privileged" boy, the boy of limited opportunities and indifferent home life, who finds his only recreation on the street corner after dark, thus increasing juvenile delinquency as well and proving an expense to the community. Yes, and what to do with him after he is reached, to make him an asset instead of a liability to the community is a problem that neither welfare organizations nor churches have been able to solve to their satisfaction.

Thus far the only proved means of getting hold of such boys is believed to be the Boys' Club—organized on a basis as broad and comprehensive as the public playground, though more intensive—under trained supervision and direction. Columbia College, recognizing this need, has recently given the first of a series of courses in cooperation with the Federation to train men and women workers for Federation Boy Club work, the Federation seeking at all times the highest possible standard for its leaders.

The value of the Boys' Club in industrial plants is said to have been fully demonstrated wherever it has been tried, and its further introduction into the industrial world is part of the nation-wide extension work now being carried on by the Federation. The clubs already established—143 clubs in 90 cities of 28 states—are producing results.

The testimony of employers who have introduced the Boys' Club Federation plan is as follows:

That it reduces turnover—in one plant alone the turnover in a year and a half from the organization of the club went down from 75 per cent to 15 per cent; that it more thoroughly fits boys for their work and increases the supply of trained workers from which to draw as the need arises; that it cements the loyalty of parents and anchors the workman and his wife to the employers' organization; that it is both a preventive and a remedy for Bolshevik tendencies, and other evil influences of the hour, because its work is a foundation work; that it reduces juvenile delinquency, also an important business consideration; that it elevates the moral, mental, social and physical standards of the boy; that it gives opportunity for advancement to the 66 per cent "under-privileged" class, the Federation being the only preventive organization which considers this enormous class its special field of activity.

This work conserves the boy power of the nation, and is an investment not only for today but a national asset for tomorrow. While philanthropic in its purposes, it is a business proposition for any community or industry—an investment that will yield tremendous profits. It makes for better health and general improvement in the life of the boy, for character-building, for good citizenship and for 100 per cent Americanism.

The Boys' Club Federation derives no profit from its operations and is supported wholly by voluntary contributions, having on its board of directors many men and women who are leaders in the affairs of the nation, and who are devoting much of their valuable time to the promotion of its work. The headquarters of the Federation are at 110 West 40th Street, New York City.

A SYSTEM of bookkeeping, a federal court has recently said, will not justify the Government in claiming taxes nor a taxpayer in claiming exemption from taxation. The real facts must control.

ALL OVER the WORLD

the quest for Petroleum goes on constantly and "Oilwell" Machinery is conducting this search.

Test Well for Oil in England



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GLOBE

Unfair Practices in the Air

INTERNATIONAL competition centers around means of communication, fuel, and shipping, according to one of the highest naval officers we had at Paris. In fuel and shipping we have some means to do our part, when we have solved a few domestic problems, but in communication there is another story. To be sure, we stand second to England in miles of cables we control, having 72,000 against England's 140,000, but we seem to lack in facilities for manufacturing cables and find that facilities in other countries are not open to us because they are busy helping their countries extend their systems.

In radio there is a situation that causes some thought. Some classes of foreign stations are of such a character that when they get to sending messages all other stations in their vicinity have to sit by until they see fit to stop. It seems that the more obsolete the equipment in the foreign station the more successful it is in stopping the modern stations. There would seem room in this field for intervention by the Federal Trade Commission with its powers over unfair competition.

STATEMENT of the Ownership, Management, Circulation, Etc., required by the Act of Congress of August 24, 1912, of The Nation's Business, published monthly at New York, N. Y., for October 1, 1919.

District of Columbia, City of Washington, ss.: Before me, a Notary Public in and for the State and county aforesaid, personally appeared Merle Thorpe, who, having been duly sworn according to law, deposes and says that he is the Editor of The Nation's Business, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 443, Postal Laws and Regulations, printed on the reverse of this form, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Chamber of Commerce of United States, Washington, D. C. Editor, Merle Thorpe, Washington, D. C. Managing Editor, F. S. Tisdale, Washington, D. C. Business Manager, John G. Hanrahan, Jr., Washington, D. C. 2. That the owners are: Chamber of Commerce of the United States of America, said body being an incorporated organization under the laws of the District of Columbia, its activities being governed by a Board of Directors, the officers of which are set forth in Exhibit A, attached herewith: Homer L. Ferguson, President. Vice-Presidents: A. C. Bedford, Joseph H. Defrees, Thomas F. Gailor, John Joy Edison, Treasurer; Elliot H. Goodwin, General Secretary; D. A. Skinner, Assistant Secretary. Honorary Vice-Presidents: John H. Fahy, Boston, Mass.; A. B. Farquhar, York, Pa.; Charles Nagel, St. Louis, Mo.; R. G. Rhett, Charleston, S. C. Vice-Presidents—For Eastern States: A. C. Bedford, New York, N. Y. For Northern Central States: Joseph H. Defrees, Chicago, Ill. For Southern Central States: Thomas F. Gailor, Sewanee, Tenn. Board of Directors: S. B. Anderson, Max W. Babb, George H. Barbour, Homer L. Ferguson, William Butterworth, A. E. Carlton, J. E. Chilberg, W. L. Clause, Edward A. Filene, P. H. Gadsden, Charles C. George, L. S. Gillette, G. A. Hollister, Clarence H. Howard, Frank H. Johnston, Frank Kell, Frederick J. Koster, R. A. McCormick, James R. MacColl, Charles A. Otis, Lewis E. Pierson, John L. Powell, M. J. Sanders, Ernest T. Trigg, Henry M. Victor. 3. That the known bondholders, mortgages, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: (If there are none, so state.) None. 4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him. 5. That the average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date shown above is ———. (This information is required from daily publications only.)

MERLE THORPE,
Editor, The Nation's Business.

Sworn to and subscribed before me this third day of October, 1919.

(Seal) LUTHER W. LINKINS, N. P.
(My commission expires April 7, 1922.)



ARE ALL YOUR DEPARTMENTS CARRYING THEMSELVES?

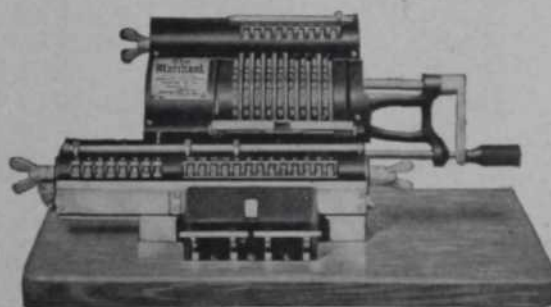
ARE THE FIGURES ON YOUR DEPARTMENTAL STATEMENT TRUE? DO THEY SHOW WHICH DEPARTMENTS ARE CARRYING THEMSELVES, AND WHICH ARE BEING CARRIED BY OTHER DEPARTMENTS?

THIS INFORMATION IS ONLY POSSIBLE BY HAVING ACCURATE FIGURES BEFORE YOU. YOU MUST BE SURE THAT THE FIGURES FOR EACH DEPARTMENT CAN BE RELIED UPON. DECISIONS ARE MADE ONLY AFTER CAREFUL STUDY OF ACCURATE FIGURES.

FIGURES COMPILED UPON THE
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MAY BE RELIED UPON FOR MAKING DECISIONS.
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AND ADDITION IT IS ALWAYS RIGHT—

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RAPIDLY AND ELIMINATES
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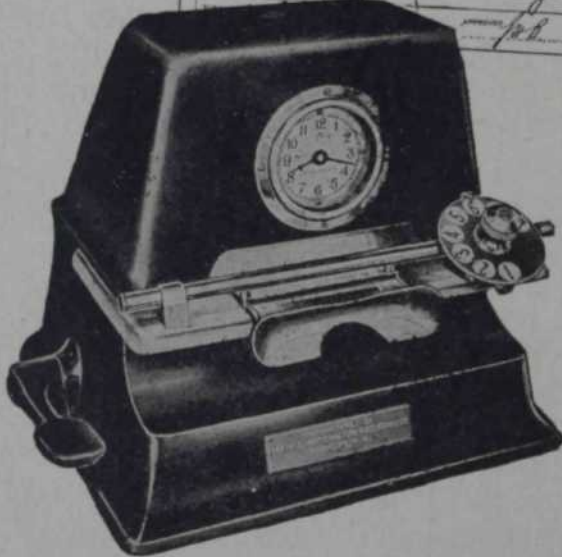
237 RAILWAY EXCHANGE
BUILDING.
CHICAGO - ILL.

MARCHANT CALCULATING MACHINE CO.
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CALCULATING
MANUAL FOR
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EXECUTIVES
S-3.



JOB TIME RECORDS

NO.	TIME	DESCRIPTION
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A special point of merit in the International Job Time Recorder is the job number indicator at right. Worker sets it to number of job, inserts card in slot at front and presses down lever at left. The indicator guarantees that the record will be printed in exactly its proper place on the card.

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shows number of jobs handled, total produc-
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Used in conjunction with International
Time Recorders, or "in-and-out" clocks,
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output, improve superintendence, promote
fairness and harmony, reduce clerical work
and expense and complete the data needed
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your cost-keeping and time-keeping depart-
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and Cost Keeping. Modern Efficiency Dic-
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Offices and Service Stations in all Principal Cities of the World

Electricity vs. Steam

THINK of the following non-revenue-producing waste on American railroads: railway coal 60,600,000,000 ton-miles; locomotive tenders 72,000,000,000 ton-miles; locomotive railway coal 4,700,000,000 ton-miles, and locomotive non-driving weight 31,000,000,000 ton-miles.

Appalling figures, are they not? A. H. Armstrong of the General Electric Company, in a recent address before the Schenectady division of the American Institute of Electrical Engineers, gave them out. This waste would be eliminated, he concluded, were the railroads of America operated electrically. The waste totals about one-seventh of the 1,215,400,000,000 ton-mile movement on American railroads in 1918.

There are other wastes to steam operation. He gave the following table.

	Coal Waste per Hour
Fire banked in roundhouse	150 lbs.
Cleaning fires for starting	800 lbs.
Coasting down grade	950 lbs.
Standing on passing track	500 lbs.

We have approximately 75,000 steam locomotives in service and about one-third of the coal mined in the United States is consumed on our railroads. Still greater economies could, of course, be shown in electric power use, in regard to equipment, employees, strain on roadbed, etc. An electric locomotive does not wear down rails as does a steam locomotive. It gets under headway faster. The electric divisions of the Chicago, Milwaukee & St. Paul, also, remained unaffected by the intense cold of the winter of 1917-18.

Complete electrification of the railroads of the future may be what we are coming to.

A New Sea Power

JAPANESE PROFITS from ships, which have only now become public, were even larger in 1918 than in 1917, when the net was at the big figure of \$60 a gross ton; in the later year this figure became \$75. In the earlier year six Japanese companies paid dividends exceeding 100 per cent, and in 1918 three companies topped this figure. As already indicated, this does not mean that disbursements were less in 1919, for between the two years capital had been decidedly increased. In 1917 the amount of profits disbursed to stockholders of Japanese companies was \$35,000,000; in 1918 it was \$45,000,000. In 1913 these disbursements were \$2,900,000.

All of this is cause for reflection when the question of government ownership and operation of steamships is under consideration. In 1917 and 1918 the privately operated Japanese ships had a free field to exact all the traffic would bear in some parts of the ocean, because of the preoccupation of the allied world in other directions. At the same time, the Japanese profits were to an extent obtained in competition with controlled steamers, a competition which the Japanese could sustain with comfort and profit because of their low operating costs. Having doubled her tonnage in five years and in 1918 collected \$300,000,000 on ocean freights, Japan became during the war a lusty young offspring of Neptune.

QUANTITY is the measure of production, and the British have been applying this test to their imports and exports. British exports of manufactured goods in 1919 amounted to 6,019,000 tons as against 10,791,000 in 1913, and her exports of food products were 876,000 tons in the later year as against 2,096,000 in the earlier. The total figures for all sorts of exports were 46,104,000 tons in 1919 and 91,172,000 in 1913, coal accounting for 38,000,000 and 76,000,000 tons in the respective years.

The Extravagance of Cheapness As Applied to Home Building

THE important thing about any purchase is not what you pay, but what you get for the purchase price. The "cheap" purchase is often the most extravagant.

If you are thinking of building, the chapter, "The Extravagance of Cheapness," in "The Story of Brick," will interest you. It presents, simply and briefly the relation of first-cost to final economy in home-building investment.

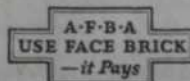
People generally concede that Face Brick is the most desirable building material from the standpoint of permanence, comfort, safety from fire, and beauty; but many still believe it is "too expensive." As a fact, the many savings in the Face Brick house, such as depreciation, maintenance, repairs, etc., soon cancel the slight difference in first-cost over less durable, less beautiful materials.

"The Story of Brick" is an attractive booklet, full of pictures and information that will interest every prospective home builder. You will probably be surprised to learn how little more a Face Brick house really costs.

Send for your copy today

AMERICAN FACE BRICK ASSOCIATION

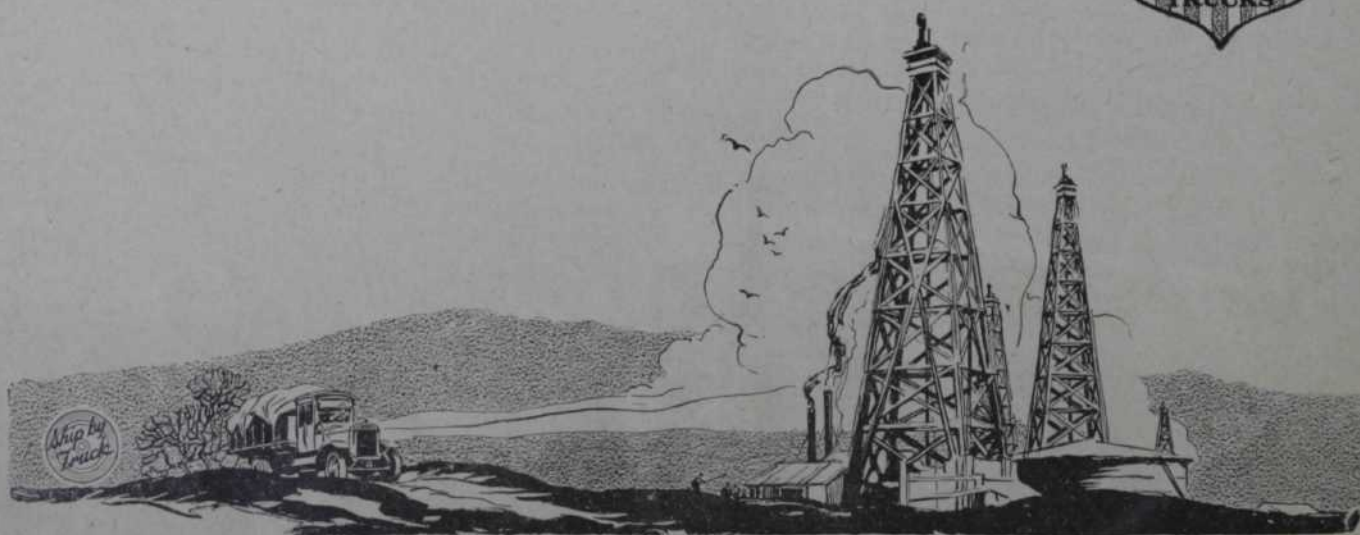
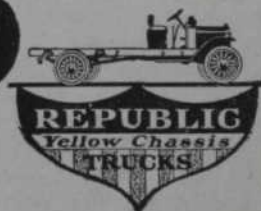
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What is the net experience of more than 60,000 users of Republic Trucks? Simply this:—the Republic stands up better under the hardest kind of hauling. Owners say their experience shows that Republic *performance* is unequalled. Their cost sheets prove a greater *ruggedness* and *economy*. That is why they add more Republic Trucks as their haulage needs increase. That is why the Company, in seven years, has built and sold more than 60,000 Republic Trucks.

Republic Truck Co. Inc., 962 Michigan Ave., Alma, Mich.

REPUBLIC TRUCKS



Aladdin



Aladdin Helped Du Pont Increase Production to War Requirements

Possibly no other manufacturer in the world has had a greater problem than the one confronting the Du Pont interests in 1914, after war was declared. Overwhelmingly large orders for their products were placed by the governments of Europe which made it necessary to multiply their production many times. New factories were constructed. With the new units of production a demand for labor arose and a housing program became necessary. The Aladdin Company was consulted. An initial order for more than 100 Aladdin houses was placed. Before all these had been erected, another order was given. And in the course of several years three complete communities were erected by The Aladdin Company at different sites of the Du Pont Industry. What Aladdin has done for the Du Pont interests it can do for you.

Housing Your Men Well and Quickly at Lowest Costs

The Aladdin System of Construction saves 18 per cent of the lumber wasted in

ordinary building. Standardization and quantity production further reduce the building cost approximately 30% to you. Also you benefit by Aladdin's stupendous purchasing power. Aladdin houses are easily and quickly erected by unskilled labor. Simple, complete instructions are furnished with each house.

The Aladdin System and Plan

Aladdin houses are Rendi-cut. Every piece of joists, studs, rafters, sheathing, siding, flooring, interior finish is cut to proper size, marked and numbered ready to nail in place. Sufficient material to complete more than 3000 houses is carried constantly in stock ready for instant shipment. Depending upon size of house, we load from one to three complete houses in each car.

Quicker Delivery From Our Five Mills

Aladdin houses are manufactured and shipped direct from the Aladdin Com-

pany's own mills in Michigan, North Carolina, Oregon, Mississippi and Canada. Aladdin houses come to you in a straight line from the nearest timber region. Aladdin's Industrial Homebuilding Service means shorter routes, quicker delivery and lower freight rates for builders in every part of the United States. Three days to a week are saved in shipments reaching destination. Complete Sales and Business Offices are maintained in connection with each mill. Fully 24 hours' time is saved in your mail reaching our offices.

Single Houses or Complete Cities

We will quote you a definite price on a single house or complete cities of 300, 500, 600, 1500 and 3000 population. These cities include homes, stores, churches, schools, offices, etc. Several cities are now graphically presented in our book, "Industrial Housing." Write, wire or phone for book No. 1944.

The Aladdin Co.

OFFICES and
MILLS at

Bay City, Michigan
Wilmington, North Carolina
Hattiesburg, Mississippi
Portland, Oregon
Toronto, Ontario



Industrial Housing



Because of their short wheelbase Autocars get in and out anywhere

These Autocars are working on top of a 180-foot cliff at the John T. Dyer trap rock quarry, Bethlehem, Pa. They haul daily 600 yards of clay on a ledge only 70 feet wide. Other Autocars are working for this same company. Each one hauls on an average daily 200 tons of stone to the crusher, a round trip of half a mile. In January, 1930, John T. Dyer Quarry Co. added two more Autocars to their fleet.

Hundreds of contractors and road builders have found that the Autocar Motor Truck exactly meets the difficult hauling conditions of their work.

Because of its short wheelbase, the Autocar gets in and out of cramped quarters with a minimum of backing and manoeuvring.

The reasonable first cost of the Autocar, and its ability to stand up under the wear and tear of contractors' work, make it a most economical unit.

Chassis (1½-2 Ton)

\$2300, 97-inch Wheelbase

\$2400, 120-inch Wheelbase

Among the thousands of concerns in every line that are using Autocars are many road builders, contractors and supply houses—we have listed them in a new booklet. Write us for a copy.

THE AUTOCAR COMPANY, Ardmore, Pa. Established 1897

The Autocar Sales and Service Company

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Bronx	Worcester	Wilmington	Baltimore	Stockton	Sacramento
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					San Jose

Represented by these Factory Branches, with Dealers in other cities

Autocar